

**Edexcel Advanced Subsidiary GCE in Economics  
& Business Studies (Nuffield) (8128)**

For examination from January 2003

**Edexcel Advanced GCE in Economics & Business  
Studies (Nuffield) (9128)**

For examination from Summer 2003

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This specification is Issue 3 and is valid for AS examination from January 2003 and for A2 examination from June 2003. Key changes to requirements are sidelined. Centres will be informed in the event of any necessary future changes to this specification. The latest issue can be found on the Edexcel website, [www.edexcel.org.uk](http://www.edexcel.org.uk)

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Authorised by Peter Goff

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# Introduction

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## Key features

This specification:

- ◆ is an innovative specification, based on the principles of progression, integration and investigation
- ◆ emphasises the relevance of Economics and Business Studies to real-world issues
- ◆ enables centres to choose two from three options in the A2 specification
- ◆ maintains the use of well-established assessment techniques favoured by centres
- ◆ gives the full 30% weighting allowable for coursework
- ◆ signposts opportunities for collecting key skills evidence through teaching and coursework
- ◆ has a full range of high-quality supporting materials to facilitate course delivery.

Edexcel will support centres in the delivery of this specification through the provision of support materials and in-service training. Throughout this specification, a section of teaching content is referred to as a module and an assessment instrument (ie an examination or a piece of coursework) is referred to as a unit. Where the term AS is used, it refers to the first three modules and units of the qualification (ie 1, 2 and 3). The term A2 refers to the last three modules/units of the qualification (ie 4, 5 and 6). The term Advanced GCE refers to all six modules/units.

## Unit availability

Unit	Unit codes	January 2003	June 2003	January 2004	June 2004	January 2005
Unit 1	6361	✓	✓	✓	✓	✓
Unit 2	6362	✓	✓	✓	✓	✓
Unit 3	6363		✓		✓	
Unit 4	6364	✓	✓	✓	✓	✓
Unit 5	6365		✓		✓	
Unit 6	6366		✓		✓	

## Rationale for the specification

The Economics and Business Studies (Nuffield) Advanced Subsidiary GCE/Advanced GCE specification is distinctive and unique in its field. It is a specification backed by the Nuffield Economics and Business project and supported by a full range of written and electronic materials. It has proved a very popular course since its inception, with a growing entry each year.

The specification is characterised by the principles of progression, integration and investigation. As the first genuinely combined Business and Economics Studies specification, it integrates the key concepts relating to both Business and Economics in a coherent and innovative manner. Students progress through the course and, as more ideas and concepts are introduced, they are expected to continue using previously learned concepts in their analysis. The content specification assists this process by identifying occasions when concepts and ideas reoccur and develop in the course of both the AS and A2. The detailed exposition of the content therefore provides comprehensive guidance and support for teachers and students in building a coherent, integrated understanding of the material. The progressive nature of the course encourages the development of an integrated understanding of the interrelationships between Business Studies and Economics.

The course involves a greater commitment to discussion than conventional courses, enabling students to increase their level of confidence in conveying ideas and arguments clearly to others and facilitating the generation of evidence for assessment of key skills.

- The specification provides progression from the GCSE in Business Studies and Economics (Nuffield-BP) and also from other GCSEs in these subject areas. It also acts as a feeder into a range of courses in Further and Higher Education in Economics, Business and related subjects. There are also opportunities to move into a wide range of jobs on successful completion of the course. The unit structure facilitates lifelong learning.
- The Nuffield joint specification is different from related specifications in Economics and Business Studies in form, philosophy and content and provides the link between the two disciplines from both a teaching and an assessment perspective. The compulsory coursework weighting of 30% is characteristic of this difference.
- Together with the GCSE course, this specification will provide a broad Economics and Business Studies education for the schools and further education markets.

## Summary of the scheme of assessment

The Advanced Subsidiary GCE has a weighting of 50% when carried forward towards the full Advanced GCE.

### AS – 50%

Assessment	Method	Weight	Length
Unit 1	Written	15%	1 hour 15 minutes
Unit 2	Written	20%	1 hour 45 minutes
Unit 3	Coursework – two Portfolio pieces	15%	1,250 words per piece

AS total examining time: 3 hours

### A2 – 50%

Assessment	Method	Weight	Length
Unit 4	Written	15%	1 hour 45 minutes
Unit 5	Synoptic written paper	20%	2 hours
Unit 6	Coursework – 2 Portfolio pieces	15%	1,500 words per piece

A2 total examining time: 3 hours 45 minutes

**Total Advanced GCE examining time 6 hours 45 minutes**

## Structure of the specification

There are six modules of content and six units of assessment. The relationship between the content and the assessment is as follows:

Unit of assessment	Specification content
Unit 1 – Written paper	Based on Module 1
Unit 2 – Written paper	Based on Modules 2 and 3
Unit 3 – Two pieces of coursework	The first piece on Module 1, the second on either Module 2 or Module 3
Unit 4 – Written paper	Based on Module 4
Unit 5 – Written paper	Based on Modules 5 and 6 (the three options)
Unit 6 – Two pieces of coursework	Based on Modules 5 and 6 (the three options)

The content of Modules 5 and 6 is formed by the three options of which students have to choose two and take assessment units 5 and 6 on the basis of their chosen options.

## **Guidance notes on the use of pre-issued evidence in Unit 4 – Competitiveness**

The decision was taken to issue evidence before the Unit 4 examination to help candidates become familiar with the bulk of the material before entering the examination room.

The evidence can also give useful examples of some of the concepts taught in this module. However, teachers will find other more appropriate examples, and it would be unwise to focus exclusively on the one context used for the evidence.

Candidates will be supplied with a clean copy of the pre-issued evidence in the examination room – other copies will not be allowed.

In addition to the pre-issued evidence, there will be further evidence issued with the examination paper. This is intended to:

- 1 allow the use of the same pre-issued evidence in the January and June examinations in any particular year.
- 2 enable new questions to be set between the January and June examinations.

## Summary of the specification content

<b>Advanced Subsidiary GCE (AS)</b>	
<b>Module 1</b> Objectives	1    What do people want? 2    What does business do?
<b>Module 2</b> Efficiency	1    What makes firms effective? 2    Do markets work?
<b>Module 3</b> Change	1    What are the challenges? 2    Which way forward?
<b>Advanced GCE</b>	
<b>Module 4</b> Competitiveness	1    What shapes the contest? 2    How competitive?
<b>Modules 5/6</b>	1    What is the global future? 2    Can there be certainty? 3    Competition, conflict or consensus?

# Specification overview

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## Subject criteria

QCA defines subject criteria which set out the knowledge, understanding, skills and assessment objectives common to all AS and Advanced GCE specifications in a given subject. This specification is a joint subject that does not have separate criteria but draws on the criteria for both Economics and Business Studies as appropriate.

## Aims

This specification aims to encourage students to:

- develop an understanding of relevant economic and business concepts and theories and an ability to apply them to a range of real-world issues
- apply economic and business concepts and theories in a range of contemporary contexts and appreciate their value and limitations in explaining real-world phenomena
- acquire a range of skills including the ability to make decisions in the light of evaluation and, where appropriate, the quantification and management of economic and business information
- be aware that economic and business behaviour can be studied from the perspectives of a range of stakeholders including customers, managers, creditors, owners/shareholders, employees and society. Students should understand that these perspectives are interrelated
- analyse, explain and evaluate the strengths and weaknesses of the market economy and the role of citizens, businesses and governments within it.

It should be noted that not all of the above aims are necessarily subject to formal assessment.

## Knowledge, skills and understanding

From an economics and business perspective, this specification:

- emphasises the nature and process of decision making within organisations
- allows students to explore a range of issues, drawing on data from local, national and international sources
- focuses on organisations in different sectors and environments
- is rooted in the current structure of business practice
- focuses on identification of problems, planning investigations into such problems and making justifiable decisions consistent with the analysis.

## Assessment Objectives

Assessment Objectives		AS weighting	Advanced GCE weighting
AO1	demonstrate knowledge and understanding of the specified content	27%	25%
AO2	apply knowledge and critical understanding to problems and issues arising from both familiar and unfamiliar situations	27%	25%
AO3	analyse problems, issues and situations	23%	25%
AO4	evaluate and assess information, distinguish between fact and opinion and make reasoned judgements	23%	25%

## Key skills

The specification has been designed to provide opportunities for developing and generating evidence for assessing the key skills of:

- communication
- application of number
- information technology
- improving own learning and performance
- working with others
- problem solving.

See the section headed **key skills with Economics and Business Studies (Nuffield)** for further details on development and internal assessment opportunities for the above key skills through delivery of this specification.

## Relationship between AS and Advanced GCE

The AS Economics and Business Studies (Nuffield) consists of 50% of the total assessment for the specification and the A2 consists of the other 50%. Certification for AS will be available separately for those who choose not to go on to take the full Advanced GCE.

## Synoptic assessment

The requirement for 20% synoptic assessment will be met through Unit 5. All three of the Options draw on material from other parts of the course and therefore offer the opportunity to be assessed synoptically.

Synoptic assessment in this specification will draw on all four assessment objectives and will test students' ability to:

- understand the interrelatedness of many economic and business issues, problems and institutions
- understand how certain business and economic concepts, theories and techniques may be relevant to a range of different contexts
- apply such concepts, theories and techniques in analysing Economic and Business issues and problems and in evaluating arguments and evidence.

## Environmental and health education

The specification includes several references to the importance of the environment and health in economic and business matters – see, for example:

Modules 5/6 Option 3 Enquiry 2	Objectives of employment legislation
Modules 5/6 Option 3 Enquiries 4/5	What's being counted? <b>and</b> Whose responsibility?

## The European dimension

The specification requires students to consider a wide range of economic and business matters in the context of the European Union and the global economy – see, for example:

Module 3 Change 2	What makes an economy grow? <b>and</b> What should governments spend?
Module 4 Competitiveness 2	An enterprising environment? <b>and</b> Is power controlled?
Modules 5/6 Option 1 Enquiry 5	Deregulation or control?
Modules 5/6 Option 2 Enquiry 5	Will there be certainty?

## Ethical, social, moral, cultural and spiritual issues

The specification gives students the opportunity to examine issues from a broader standpoint than that of a single discipline. The course encourages students to consider the different perspectives of a range of stakeholders and the consequences for those stakeholders of the implementation of a range of decisions affecting their everyday lives. It allows students to gain an understanding of ethical, social, moral, cultural and spiritual issues in relation to the whole area of economics and business – see, for example:

Module 1 Objectives 1	Who cares?
Module 4 Competitiveness 2	Whose advantage?
Option 1 Enquiry 3	What is the impact on people?
Option 2 Enquiry 5	Will there be certainty?
Option 3 Enquiry 2	Who delivers?

## Quality of written communication

Students will be assessed on the quality of their written communication through all four assessment objectives. Students will be required to:

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

Quality of written communication will be rewarded in the mark schemes for units where discursive writing is required.

## Prior learning and progression

There are no prior knowledge requirements for this qualification. The specification builds on, but does not depend upon, students having followed a course in GCSE Business/Economics and provides a solid foundation for studies at a higher level in these subject areas.

## Forbidden combinations and related subjects

Every specification is assigned to a national classification code indicating the subject area to which it belongs.

Centres should be aware that students who enter for more than one GCE qualification with the same classification code, will have only one grade (the highest) counted for the purpose of the school and college performance tables.

The classification code for this specification is 3230.

Students entering for this specification may not, at the same series of examinations, enter for any other specification with the title 'Economics', 'Business Studies' or 'Economics and Business Studies' at any level.

There are linkages with Advanced Subsidiary GCE and Advanced GCE qualifications in Economics and Business Studies and, to a lesser extent, with subjects such as Government and Politics and Social Policy.

There are also linkages to Advanced Vocational Certificate of Education in Business.

The following examples show some of the links between the compulsory AVCE units and the AS and Advanced GCE modules:

<b>Advanced VCE</b>	<b>Common content</b>	<b>AS GCE/Advanced GCE</b>
Unit 1 <b>Business at work</b>	Business objectives Business organisations	Module 1 Objectives 1: What do people want?
Unit 2 <b>The competitive business environment</b>	Competition, markets Government policy/intervention	Module 1 Objectives 2: What does business do? Module 2 Efficiency 2: Do markets work?
Unit 3 <b>Marketing</b>	Market opportunities, marketing strategy, marketing mix	Module 3 Change 2: Which way forward?
Unit 4 <b>Human resources</b>	Human resource planning, training and development	Module 4 Competitiveness 1: What shapes the contest?
Unit 5 <b>Business finance</b>	Working capital, ratios, interpreting financial information	Module 5/6 Option 3 Enquiry 3: What do accounts reveal?
Unit 6 <b>Business planning</b>	Market analysis, quality, business strategy	Module 4 Competitiveness 1: What shapes the contest?

## Students with particular requirements

Regulations and guidance relating to students with particular requirements are published annually by the Joint Council for General Qualifications and are circulated to Examinations Officers. Further copies of guidance documentation may be obtained by calling Customer Services on 0870 240 9800 or by writing to the address below.

In accordance with the published guidelines, Edexcel is happy to assess whether special consideration or concession can be made for students with particular requirements. Requests should be addressed to:

Special Requirements  
Edexcel Foundation  
Stewart House  
32 Russell Square  
London WC1B 5DN

# Scheme of assessment

The Advanced Subsidiary GCE has a weighting of 50% when carried forward towards the full Advanced GCE.

## AS – 50%

Unit	Method	Weight	Length	Objectives assessed
<b>Unit 1</b>	Written paper on Module 1 – one question from two evidence questions and one question from two questions involving extended writing	15%	1 hour 15 m	1 (28%) 2 (28%) 3 (22%) 4 (22%)
<b>Unit 2</b>	Written paper on Modules 2 and 3 – four evidence questions plus one question from two extended writing questions and one question from two structured questions	20%	1 hour 45 m	1 (28%) 2 (28%) 3 (22%) 4 (22%)
<b>Unit 3</b>	Two Portfolio pieces – one on Module 1 and one on Modules 2 or 3	15%	1,250 words per piece	1 (25%) 2 (25%) 3 (25%) 4 (25%)

Total examining time: 3 hours

## A2 – 50%

Unit	Method	Weight	Length	Objectives assessed
<b>Unit 4</b>	Written paper with a Portfolio-style question based on *pre-issued evidence on Module 4 with some additional evidence in the examination room	15%	1 hour 45 m	1 (22%) 2 (22%) 3 (28%) 4 (28%)
<b>Unit 5</b>	Synoptic written paper based on the two chosen options	20%	2 hours	1 (22%) 2 (22%) 3 (28%) 4 (28%)
<b>Unit 6</b>	Two Portfolio pieces – one on each of the chosen options	15%	1,500 words per piece	1 (25%) 2 (25%) 3 (25%) 4 (25%)

Total examining time: 3 hours 45 minutes

Total Advanced GCE examining time 6 hours 45 minutes

\*The pre-issued material will be issued to centres in August each year.

## Unit and resit rules

Students may re-take any individual unit once only and the better result will count towards the final award. The shelf-life of individual units is limited only by the shelf-life of the specification. The full qualification at both AS and Advanced GCE may be retaken more than once.

## Awarding and reporting

The grading, awarding and certification of this specification will comply with the requirements of the GCE Code of Practice for courses starting September 2000, which is published by the Qualifications and Curriculum Authority. Qualifications will be graded and certificated on a five grade scale from A to E. Individual results will be reported.

## Language of assessment

Assessment of this specification will be available in English only. Assessment materials will be published in English only and all written and spoken work submitted for examination and moderation must be produced in English.

## Relationship of assessment objectives to units

The following table shows the relationship between the assessment objectives and the examination components:

<b>Assessment weightings</b>	<b>AS Units 1–3</b>	<b>A2 Units 4–6</b>	<b>Advanced GCE Units 1–6</b>
<b>AO1</b>	14%	11%	25%
<b>AO2</b>	14%	11%	25%
<b>AO3</b>	11%	14%	25%
<b>AO4</b>	11%	14%	25%
<b>Weighting</b>	50%	50%	100%

The weighting reflects the percentage allocation of marks to each assessment objective.

# Specification content – Advanced Subsidiary GCE

<b>Module 1 – Objectives 1: What do people want?</b>		
<b>Content</b>	<b>Key areas</b>	<b>Guidance on key areas</b>
<p><b>Why be in business?</b></p> <ul style="list-style-type: none"> <li>• profit and non-profit motives</li> <li>• competitive advantage</li> <li>• business organisation</li> </ul> <p><b>Are customers demanding?</b></p> <ul style="list-style-type: none"> <li>• scarcity</li> <li>• demand</li> <li>• trade-offs and opportunity cost</li> </ul> <p><b>Why do people work?</b></p> <ul style="list-style-type: none"> <li>• motivation</li> <li>• specialisation</li> <li>• employment and unemployment</li> <li>• trade unions</li> </ul> <p><b>What does government want?</b></p> <ul style="list-style-type: none"> <li>• spending and taxation: national and EU objectives</li> </ul> <p><b>Who cares?</b></p> <ul style="list-style-type: none"> <li>• social and ethical responsibility</li> </ul>	<p>Significance of profit, other objectives, eg independence, employment, growth, lifestyle.</p> <p>Sources of competitive advantage eg cost, innovation, relationships, reputation.</p> <p>Contrast between sole proprietor and company: limited liability, equity, directors.</p> <p>Choice and exchange.</p> <p>Effective demand for goods and services; willingness and ability to pay; relationship between price and quantity, NOT marginal utility.</p> <p>The importance of trade-offs in decision making and the underlying concept of opportunity costs.</p> <p>Motives for work: wages, Maslow’s hierarchy.</p> <p>The effects of division of labour on society and individuals. NOT comparative advantage.</p> <p>Working population; broad trends in employment and unemployment; formal/informal activity.</p> <p>Activities and perceptions.</p> <p>Their relationship. An introduction to the objectives on inflation, employment and the standard of living; real and money values.</p> <p>The rights and responsibilities of individuals, organisations and governments.</p>	<p>The varied motives of entrepreneurs.</p> <p>The importance of identifying and developing sources of competitive advantage to achieve objectives in the market.</p> <p>The role of different forms of organisation.</p> <p>The effect on consumer decisions.</p> <p>Consumers have a variety of wants and the demand curve shows how some of their choices can be analysed.</p> <p>The use of these ideas to evaluate perspectives.</p> <p>The roles and interests of the individual employee in the world of work and within organisations.</p> <p>The relationship between output and motivation.</p> <p>Recent trends in the labour market.</p> <p>Their changing role.</p> <p>The implications of government decisions.</p> <p>How trade-offs force governments to prioritise objectives.</p> <p>The impact of decisions across stakeholder groups and over time.</p>
<p><b>Having completed ‘What do people want?’, students should be able to identify the main groups of stakeholders and appreciate that they may have differing perspectives. The use of opportunity costs and trade-offs will assist in developing this understanding. Students should recognise how the relative power of each group will vary in different situations. This lays the foundations for further development later.</b></p>		

## Module 1 – Objectives 2: What does business do?

Content	Key areas	Guidance on key areas
<p><b>What makes a market?</b></p> <ul style="list-style-type: none"> <li>• competition, markets, supply and price</li> </ul>	<p>Markets, competition and the role of specialisation; price as an incentive to supply; equilibrium price; shifts in demand and supply.</p>	<p>The effect of specialisation on market behaviour. The relationship between price and supply. The interaction of demand and supply.</p>
<p><b>What adds value?</b></p> <ul style="list-style-type: none"> <li>• adding value</li> <li>• inputs and outputs</li> </ul>	<p>How inputs are given added value. Adding value for competitive advantage.</p>	<p>Changing the relationship between the product and the price that people are prepared to pay in order to increase competitive advantage.</p>
<p><b>What makes a product?</b></p> <ul style="list-style-type: none"> <li>• market orientation</li> <li>• market research and sampling</li> <li>• market segmentation and niches</li> <li>• product and price</li> </ul>	<p>The role of the market in determining the nature and design of the product. Desk and field research and a qualitative understanding of sampling. Techniques for identifying opportunities.</p>	<p>The difference of outcome in market- and product-led organisations.  The techniques. The ways firms use the information generated to achieve competitiveness. Their role in creating a product.</p>
<p><b>How is a profit made?</b></p> <ul style="list-style-type: none"> <li>• elementary costs and break-even</li> </ul>	<p>As the focus for marketing strategy.</p> <p>Variable and fixed costs. Simple calculation of break-even point and potential profit (as revenue minus costs); contribution. Matching resources to demand; productive efficiency and profit.</p>	<p>Ways in which these two factors determine the approach to the market.</p> <p>The use of costs and revenues to distinguish a potentially profitable situation.  Profitability depends on maximising added value and minimising costs to meet the requirements of the target market.</p>
<p><b>How is profit measured?</b></p> <ul style="list-style-type: none"> <li>• profit margin</li> <li>• profit and loss account</li> <li>• profit and cash flow</li> </ul>	<p>Calculation and use of gross and operating profit margins. Sales revenue less successive deductions to identify gross profit, operating profit, profit before and after tax and retained profit. Meaning and significance of cash flow (without formal calculation).</p>	<p>The implications of profit margins.  Basic profit and loss accounts.  The effect of the relationship between profit, sales and cash flow.</p>
<p><b>Having completed ‘What does business do?’, students should be able to use these strategies and techniques and to evaluate how they contribute to business decision making. This should enable them to recognise how firms identify opportunities and decide to develop them.</b></p>		

## Module 2 – Efficiency 1: What makes firms effective?

Content	Key areas	Guidance on key areas
<p><b>What is culture?</b></p> <ul style="list-style-type: none"> <li>organisation and change</li> <li>hierarchies and flexibility</li> </ul> <p><b>How are people managed?</b></p> <ul style="list-style-type: none"> <li>motivation</li> <li>leadership</li> <li>communication</li> </ul> <p><b>Can costs be cut?</b></p> <ul style="list-style-type: none"> <li>lean production and quality</li> <li>investment and new technology</li> <li>economies of scale</li> </ul> <p><b>What is efficiency?</b></p> <ul style="list-style-type: none"> <li>technical and productive efficiency</li> <li>competition and entry and exit</li> </ul> <p><b>How is effectiveness analysed?</b></p> <ul style="list-style-type: none"> <li>Return on Capital Employed (ROCE)</li> <li>balance sheet</li> </ul>	<p>An introduction to variations in organisational design and culture.</p> <p>The scientific approach versus human relations. Spectrum from autocratic to laissez-faire. Formal and informal networks.</p> <p>JIT, stock control, cell production, team working, quality assurance, quality circles. Role of investment and the use of new technology in increasing flexibility and productivity. Labour and capital intensity. Link to competitive advantage. Achieving minimum unit costs.</p> <p>Effect of labour or capital intensity on costs and resource allocation.</p> <p>Profit and loss as a signal for entry/exit of firms and changes in resource use.</p> <p>Meaning and simple calculation of ROCE; use in comparing profitability; link to basic accounts.</p> <p>Interpretation linked to profit and loss account; liquidity and working capital.</p>	<p>The contribution of management to efficiency in organisations. Their contribution to the effective organisation of a business – at an introductory level.</p> <p>People contribute more effectively when their environment, leadership and communication framework is carefully considered.</p> <p>The importance of production methods as a means of increasing productivity.</p> <p>The importance of appropriate technology in maintaining competitive production.</p> <p>Increasing productivity by adjusting the input of different types of resources.</p> <p>The conditions of technical efficiency and its effects on firms' objectives.</p> <p>The effect of competition and profitability on the number of firms in an industry.</p> <p>The use of ROCE to assess the relative profitability of organisations.</p> <p>The implications of the information provided by the balance sheet. Importance of an adequate level of liquidity.</p>
<p><b>Having completed 'What makes firms effective?', students should be able to identify, apply and evaluate ways in which firms might increase efficiency and effectiveness through management decisions. Using this information, they should be able to explain why firms enter and leave the markets for particular products.</b></p>		

## Module 2 – Efficiency 2: Do markets work?

Content	Key areas	Guidance on key areas
<p><b>How do markets work?</b></p> <ul style="list-style-type: none"> <li>price mechanism</li> <li>elasticity of demand</li> <li>allocative efficiency</li> <li>wage determination</li> </ul> <p><b>Where does the power lie?</b></p> <ul style="list-style-type: none"> <li>market share</li> <li>the spectrum of competition</li> <li>advertising</li> </ul> <p><b>Profit or pollution?</b></p> <ul style="list-style-type: none"> <li>externalities</li> <li>regulation and control</li> </ul> <p><b>Are markets equitable?</b></p> <ul style="list-style-type: none"> <li>public and merit goods</li> <li>equity</li> <li>government provision</li> </ul> <p><b>Is the government always right?</b></p> <ul style="list-style-type: none"> <li>government failure</li> <li>public/private initiatives</li> </ul>	<p>The allocative effect of demand, supply and price determination.</p> <p>Simple income and price elasticity of demand.</p> <p>Meeting consumer demand effectively.</p> <p>The allocative effect of the market.</p> <p>The relationship between market share and the power of the firm; market leadership; impact on resource allocation.</p> <p>The range from perfect competition to monopoly. Influence of supernormal profit and barriers to entry.</p> <p>Purpose and role of advertising; impact on the demand curve.</p> <p>Private, external and social costs and benefits.</p> <p>Taxation, legislation and market solutions, eg tradable permits.</p> <p>The failure of market provision.</p> <p>The relationship between equity and equality.</p> <p>How governments intervene to pursue economic, social and distribution objectives, eg subsidies, benefits, state provision.</p> <p>Possibility that government activity can create/increase inefficiencies, eg in agriculture, housing.</p> <p>Their role in allocation.</p>	<p>The efficient allocation of resources through the price mechanism.</p> <p>The effect of changes in price and income on sales, revenue and profit.</p> <p>The role of the consumer in influencing the market.</p> <p>The effect of the market on wages.</p> <p>The identification and evaluation of the activities of organisations that may lead to inefficient resource allocation for the community.</p> <p>The power generated by different degrees of competition.</p> <p>The objectives and effects of advertising.</p> <p>The identification and evaluation of the actions of governments to control activities leading to market failure. Detailed knowledge of legislation not required.</p> <p>Market forces may lead to under -or over-production of some goods and services.</p> <p>The links between market outcomes and equity.</p> <p>The benefits and effectiveness of such intervention.</p> <p>The identification and evaluation of the activities of government which may lead to an inefficient allocation of resources.</p>
<p><b>Having completed ‘Do markets work?’, students should appreciate the dynamic nature of markets and be able to explain their limitations. They should recognise that organisations and governments may use strategies which lead to outcomes which are inefficient for the community. They should also be able to devise and evaluate solutions to problems created by the market.</b></p>		

## Module 3 – Change 1: What are the challenges?

Content	Key areas	Guidance on key areas
<p><b>How do markets change?</b></p> <ul style="list-style-type: none"> <li>• purchasing patterns</li> <li>• structural change</li> <li>• public/private sectors</li> </ul> <p><b>Rivalry or collaboration?</b></p> <ul style="list-style-type: none"> <li>• rivalrous marketing</li> <li>• take-overs</li> </ul> <p><b>Will total output change?</b></p> <ul style="list-style-type: none"> <li>• aggregate demand and supply</li> </ul> <p><b>Unemployment or inflation?</b></p> <ul style="list-style-type: none"> <li>• unemployment causes and effects</li> <li>• inflation causes and effects</li> </ul> <p><b>Why trade?</b></p> <ul style="list-style-type: none"> <li>• exchange rates</li> </ul>	<p>Changes in population size, age and income distribution, social and cultural factors.</p> <p>Regional and local impact on patterns of demand.</p> <p>Effect of shift from public to private sector.</p> <p>Price and non-price strategies, predatory pricing and price wars.</p> <p>Rationale for and results of mergers and take-overs.</p> <p>The effect of the business cycle on business and individuals.</p> <p>Constituent and basic determinants of aggregate demand; factors influencing aggregate supply; an elementary treatment of the circular flow.</p> <p>Measurement and impact of inflation, unemployment; trade-offs shown by the Phillips Curve. Use of AD/AS analysis. Simple use of data for national and international comparisons.</p> <p>Exports and imports; reasons for trade; changing pattern of trade; impact of exchange rate variations and European Monetary Union.</p> <p>NOT comparative advantage.</p>	<p>The effect of these underlying causes of change on the pattern of demand.</p> <p>The effect of structural change on income distribution.</p> <p>The effects of these changes on equity and efficiency.</p> <p>The effects of such strategies on the activities of business.</p> <p>The likely outcomes of mergers and take-overs.</p> <p>The use of aggregate demand and supply analysis to explain the stages of the business cycle.</p> <p>The implications for business and the economy.</p> <p>The inter-relationship between inflation and unemployment.</p> <p>The difference between long term trends and short term fluctuations.</p> <p>Trade is a source of competition and unstable exchange rates affect demand and pricing decisions.</p>
<p><b>Having completed ‘What are the challenges?’, students will be able to recognise why businesses may seek to minimise uncertainty. To do this, they will be able to identify the causes and outcomes of change in the economy and the effects on business as well as the challenge provided by the activities of competitors.</b></p>		

## Module 3 – Change 2: Which way forward?

Content	Key areas	Guidance on key areas
<p><b>Why are business plans important?</b></p> <ul style="list-style-type: none"> <li>business planning</li> </ul>	<p>Elements and objectives of business plans including sources of finance, budgets, cash flow, working capital.</p>	<p>The key features of a business plan.</p>
<p><b>What makes markets grow?</b></p> <ul style="list-style-type: none"> <li>innovation</li> <li>product life cycle</li> <li>marketing</li> </ul>	<p>The process, attractions and uncertainties of innovation; new product development.</p> <p>Stages and extension of the product life cycle, relevant marketing strategies.</p> <p>Choices in the marketing plan; price and product, targeting segments, branding.</p>	<p>The importance of innovation as a source of success.</p> <p>Its use to analyse the development of a product's market.</p> <p>The objectives of marketing strategies and evaluation of techniques used.</p>
<p><b>What makes an economy grow?</b></p> <ul style="list-style-type: none"> <li>growth</li> <li>the role of trade</li> </ul>	<p>Growth as increase in productive potential.</p> <p>The role of trading groups, eg EU, in promoting and restricting growth.</p>	<p>The link between growing businesses and the economy. The components of the growth process.</p> <p>The effect of trading groups on growth.</p>
<p><b>Can we control the economy?</b></p> <ul style="list-style-type: none"> <li>monetary and fiscal policy</li> </ul>	<p>Nature of fiscal, monetary, exchange rate and supply-side policies; their impact on growth and on variations in activity.</p>	<p>The use of monetary and other policies to encourage growth and adjust the pattern of cyclical change.</p>
<p><b>What should governments spend?</b></p> <ul style="list-style-type: none"> <li>public expenditure</li> <li>taxation</li> </ul>	<p>Public spending for services and redistribution. Budget trade-offs in national and EU contexts.</p> <p>Direct and indirect; progressive, proportional and regressive; impact of taxation.</p>	<p>The trade-offs involved in fiscal policy.</p> <p>The relative merits of different tax strategies in different contexts.</p>
<p><b>Having completed 'Which way forward?', a student should be able to recognise, apply and evaluate strategies which help both firms and economies to become successful. This should be explored in the context of the search for competitive advantage and the development of a dynamic corporate culture.</b></p>		

## Specification content – Advanced GCE

<b>Module 4 – Competitiveness 1: What shapes the contest?</b>		
<b>Content</b>	<b>Key areas</b>	<b>Guidance on key areas</b>
<p><b>What makes a difference?</b></p> <ul style="list-style-type: none"> <li>perfect competition</li> <li>commodity products</li> <li>tactics for differentiation</li> <li>contestable markets</li> </ul> <p><b>Is there a strategy?</b></p> <ul style="list-style-type: none"> <li>business strategy</li> <li>core capabilities</li> <li>SWOT analysis, product portfolio</li> <li>role of human resources</li> </ul> <p><b>Is the price right?</b></p> <ul style="list-style-type: none"> <li>pricing</li> <li>competitive costing</li> <li>cost leadership</li> </ul> <p><b>Is the product right?</b></p> <ul style="list-style-type: none"> <li>quality</li> <li>research and development</li> <li>marketing</li> </ul>	<p>The objectives and outcomes of businesses selling commodity products.</p> <p>Branding and advertising as methods of differentiating commodity products.</p> <p>Entry and exit as an explanation of the degree of competition in a market</p> <p>Strategic and tactical decisions and their objectives.</p> <p>Identification of activities which have competitive advantage.</p> <p>As a means of matching strengths to opportunities, Boston Matrix.</p> <p>Developing a culture of competitiveness through education, training, empowerment, delegation, decentralisation.</p> <p>Demand based, skimming, penetration, cost based, price discrimination, predatory pricing.</p> <p>Average total cost, direct and indirect costs, contribution costing.</p> <p>The role of quality in differentiation and competitiveness; continuous improvement.</p> <p>To identify and produce goods and services with an increased competitive edge.</p> <p>Market segmentation, positioning: strategies for selling in overseas markets.</p>	<p>Businesses selling commodity products will look for ways to increase profit margins.</p> <p>Differentiation introduces competition into commodity markets.</p> <p>The analysis of markets in terms of the ability of firms to enter and leave.</p> <p>The role of strategy in shaping the corporate plan.</p> <p>The effect of the identification of core capabilities on competitive advantage. Their use in developing strategy.</p> <p>Strategies to improve the individual's contribution to competitiveness.</p> <p>The use of cost and price in increasing market power and competitiveness.</p> <p>The use of these strategies to differentiate products and increase competitiveness at home and abroad.</p> <p>Marketing for a product and its associated services as a technique for differentiation.</p>

## Module 4 – Competitiveness 1: What shapes the contest?

Content	Key areas	Guidance on key areas
<p><b>In search of dominance?</b></p> <ul style="list-style-type: none"> <li>• mergers, demergers and integration</li> <li>• oligopoly</li> <li>• game theory</li> <li>• monopoly</li> </ul>	<p>Focus, divestment and acquisition in order to increase efficiency/restrict competition.</p> <p>A non-geometric representation; effects on competition.</p> <p>An introduction to the objectives and strategies involved.</p> <p>The outcomes and necessary conditions for monopoly without geometric representation.</p>	<p>The objectives of businesses which use these strategies.</p> <p>Oligopoly is one point on the spectrum of competition which represents a few large firms in control of the market.</p> <p>A simple approach to explaining interdependence between companies.</p> <p>Competition is a dynamic state which is demonstrated in the extreme forms of perfect competition and monopoly but is in practice found on a sliding scale between the two.</p>
<p><b>Having completed ‘What shapes the contest?’, students should appreciate the links that exist between the behaviour of business and the spectrum of competition. They should understand that a key objective of business activity is to increase the power of an individual company through its products or place in the market.</b></p>		

## Module 4 – Competitiveness 2: How competitive?

Content	Key areas	Guidance on key areas
<p><b>An enterprising environment?</b></p> <ul style="list-style-type: none"> <li>• competitive advantage</li> <li>• enterprise policies EU and UK</li> <li>• infrastructure</li> <li>• employment policies</li> <li>• exchange rates and European Monetary Union</li> </ul>	<p>The conditions which foster national competitiveness.</p> <p>Assistance for firms in increasing efficiency and growth.</p> <p>Government investment to facilitate national and international trade.</p> <p>Measures to improve employment prospects.</p> <p>Their impact on trade patterns.</p>	<p>The behaviour of businesses and governments can lead to competitive advantage.</p> <p>The use of these policies to create an environment in which the country can increase its competitiveness.</p> <p>The effect that exchange rates can have on international competitiveness.</p>
<p><b>Power or competitiveness?</b></p> <ul style="list-style-type: none"> <li>• size</li> <li>• inelastic supply</li> <li>• cartels, tacit agreements and restrictive practices</li> <li>• protected markets</li> <li>• multinationals</li> </ul>	<p>As a source of barriers to entry.</p> <p>As a source of market power.</p> <p>Output or price fixing as a source of power.</p> <p>Trade blocs and barriers as a source of power.</p> <p>As a source of international power.</p>	<p>The effects of these sources of market power and their impact on competitiveness within and between countries.</p>
<p><b>Is the market competitive?</b></p> <ul style="list-style-type: none"> <li>• market share</li> <li>• contestability</li> <li>• concentration ratios</li> <li>• performance ratios</li> </ul>	<p>To measure the degree of competition.</p> <p>Use of such ratios to assess competitive strength.</p>	<p>The interpretation of the information to evaluate competitiveness.</p> <p>The use of ratios to evaluate examples of market power and assist in evaluating whether they are in the public interest.</p>

## Module 4 – Competitiveness 2: How competitive?

Content	Key areas	Guidance on key areas
<p><b>Is power controlled?</b></p> <ul style="list-style-type: none"> <li>• pressure groups</li> <li>• Office of Fair Trading</li> <li>• Monopolies and Mergers Commission</li> <li>• EU</li> <li>• World Trade Organisation</li> </ul> <p><b>Whose advantage?</b></p> <ul style="list-style-type: none"> <li>• costs and benefits for: <ul style="list-style-type: none"> <li>- people</li> <li>- business</li> <li>- economies</li> </ul> </li> <li>• ethics and reputation</li> </ul>	<p>Their role in controlling power. An introduction to the system for controlling market power. Specific legislation is not required.</p> <p>Its role in the development of free trade.</p> <p>The impact of the search for competitive advantage on participants in business and economic activity; consumer sovereignty.</p> <p>The role of businesses and governments in making ethical decisions.</p>	<p>Their influence.</p> <p>Governments, nationally and internationally, establish organisations which attempt to maintain a level playing field and competitive advantage.</p> <p>There can be winners and losers in the process of achieving competitive advantage.</p> <p>The effect of decisions on outcomes and the reputation of businesses and governments.</p>
<p><b>Having completed ‘How competitive?’, students should be able to recognise the key features of a competitive economy and understand the types of strategy employed by business and governments to create competitiveness.</b></p>		

## Modules 5 and 6 – Option 1: What is the global future?

Content	Key areas	Guidance on key areas
<b>Enquiry 1: What is globalisation?</b>		
<ul style="list-style-type: none"> <li>Business in developing markets</li> <li>Technological revolution</li> <li>Inward investment and capital flows</li> </ul>	<p>New markets and new sources.</p> <p>Communication, transport, process innovation, response and lead time.</p> <p>Business conditions for investment, profitability, finance for development.</p>	<p>The type of business activity which is appropriate.</p> <p>The effect of technical change on business functions.</p> <p>The flow of investment depends on the prevailing conditions.</p>
<b>Enquiry 2: What is the role of business?</b>		
<ul style="list-style-type: none"> <li>Competitiveness                             <ul style="list-style-type: none"> <li>global products</li> <li>global markets</li> </ul> </li> <li>Multinationals and mergers</li> <li>Competitive advantage</li> </ul>	<p>Product innovation and standardisation.</p> <p>Joint ventures, licensing, franchising.</p> <p>Development of multinationals.</p> <p>Culture, specialisation and the role of knowledge; exchange rates.</p>	<p>The types of strategy for competing in a global market.</p> <p>The implications of globalisation for business.</p> <p>Influence on host countries.</p> <p>The factors that make countries more competitive. Estimation of the effects of changing exchange rates on business.</p>
<b>Enquiry 3: What is the impact on people?</b>		
<ul style="list-style-type: none"> <li>Trade and comparative advantage                             <ul style="list-style-type: none"> <li>income distribution</li> <li>terms of trade</li> </ul> </li> <li>Employment and change</li> </ul>	<p>The link between trade and growth, reduced barriers to trade; impact of restructuring.</p> <p>Increasing inequalities, indebtedness</p> <p>Interpretation of data.</p> <p>Terms of trade index.</p> <p>Skills, training, flexibility, work practices, workplace location.</p>	<p>The effect of trade on people, business and communities in developed and developing countries.</p> <p>The changing pattern of inequalities within and between countries.</p> <p>The impact of changing commodity prices.</p> <p>The positive and negative impact of globalisation on people.</p>
<b>Enquiry 4: Is globalisation ethical?</b>		
<ul style="list-style-type: none"> <li>Global trade, growth and the environment</li> <li>Ethical trading</li> <li>Multinational responsibility</li> </ul>	<p>Impact of resource use and improving infrastructure; unequal standards; public awareness.</p> <p>Resources and retail sourcing.</p> <p>Consumer awareness, ethical pricing strategies.</p>	<p>The local, national and international impact of growth and globalisation on the environment.</p> <p>The effect of multinational activity on host countries.</p> <p>The effect of such strategies on producers and consumers.</p>
<b>Enquiry 5: Deregulation or control?</b>		
<ul style="list-style-type: none"> <li>Trade blocs and trade negotiations</li> <li>International environmental agreements</li> <li>Global stability</li> </ul>	<p>Reduced trade barriers, EU, EMU, WTO, G7, interdependence and integration.</p> <p>EU and international agreements; trade related agreements.</p> <p>The role of the international organisations and global financial markets.</p>	<p>The trends in trade negotiations and the nature of the organisations involved.</p> <p>The likely impact of success and failure.</p> <p>The effect of interdependence on national economies.</p>
<p><b>Having completed ‘What is the global future?’, students should appreciate the influences which determine future trends in the world economy. They should be able to evaluate the actions of business, governments and international organisations and their influence on the global future using both written and numerical material.</b></p>		

## Modules 5 and 6 – Option 2: Can there be certainty?

Content	Key areas	Guidance on key areas
<b>Enquiry 1: Opportunities or constraints?</b>		
<ul style="list-style-type: none"> <li>• Business environment</li> <li>• Economic forecasting</li> <li>• Expectations</li> </ul>	<p>Market research, time series, trend analysis, Ansoff's box.</p> <p>Economic indicators, demographic projections, analysis of data from OECD, WTO and EU.</p> <p>Effect of changing expectations on business and economic forecasts.</p>	<p>The use of techniques for analysing changes in the market and identifying opportunities, including the use of appropriate calculations.</p> <p>The use of economic data and indicators to forecast changes in the economy.</p> <p>The implications of decisions made by people and businesses.</p>
<b>Enquiry 2: Going for growth?</b>		
<ul style="list-style-type: none"> <li>• Financial resources</li> <li>• Investment appraisal</li> <li>• Production planning</li> <li>• Employment</li> </ul>	<p>Financing expansion, cash flow, working capital, gearing, loans.</p> <p>Measures of profitability, qualitative factors.</p> <p>Quality, supplier relations.</p> <p>Training and development, flexibility, teleworking.</p>	<p>The importance of monitoring and controlling financial activity in an expanding economy.</p> <p>The relationship between costs and potential revenue.</p> <p>The need to control operations to maintain efficiency.</p> <p>The effect on business and aggregate supply.</p>
<b>Enquiry 3: Boom or bust?</b>		
<ul style="list-style-type: none"> <li>• Skills shortage</li> <li>• Prices</li> <li>• Controlling inflation</li> </ul>	<p>Effect on wages.</p> <p>Supplier costs and constraints, inflation, effect on demand, rising imports, exchange rates.</p> <p>The use of interest rates and fiscal policy.</p>	<p>The effect on business, output and the economy.</p> <p>The implications of rising prices for individuals, businesses and the economy.</p> <p>The use of policies and their side effects.</p>
<b>Enquiry 4: Retreat or recovery?</b>		
<ul style="list-style-type: none"> <li>• Business failure</li> <li>• Strategic planning - employment</li> <li>• Controlling - unemployment</li> </ul>	<p>Business cycle and the world economy, losing competitiveness, inflexibility.</p> <p>Cutting costs, diversification, export markets.</p> <p>Part time, fixed-hours contracts, de-layering, outsourcing; resulting changes in AS/AD, effect on PSBR</p> <p>The use and effectiveness of supply-and-demand side policies in dealing with unemployment; national and regional multiplier.</p>	<p>Businesses can suffer from both internal and external problems in a recession.</p> <p>The ways in which business can thrive or survive in a period of contraction.</p> <p>Why firms change their employment strategies and the effect on the economy.</p> <p>The use and effectiveness of these policies and their side effects.</p>

## Modules 5 and 6 – Option 2: Can there be certainty?

Content	Key areas	Guidance on key areas
<b>Enquiry 5: Will there be certainty?</b>		
<ul style="list-style-type: none"> <li>• Cultural factors</li> <li>• Corporate planning</li> <li>• Welfare implications and policies</li> <li>• EU and government policy</li> </ul>	<p>Learning organisations, managing change.</p> <p>Research and development, product portfolio, innovation, new opportunities.</p> <p>Distribution of income and wealth, labour markets, poverty, poverty trap, benefits and incentives.</p> <p>Interpretation of data.</p> <p>Single currency, EU and UK government support for business, regional policy.</p>	<p>How a business culture can facilitate change.</p> <p>How business develops strategies to deal with the uncertainty.</p> <p>The welfare effects of recession and relevant government strategies.</p> <p>The effect that policy has on the economy and business.</p>
<p><b>Having completed ‘Can there be certainty?’, students should appreciate the interrelated nature of the business cycle and the actions of business. Using both written and numerical material, they will be able to determine whether the actions of business and government will reinforce or counteract the underlying economic trends.</b></p>		

## Modules 5 and 6 – Option 3: Competition, conflict or consensus?

Content	Key areas	Guidance on key areas
<b>Enquiry 1: Does the market motivate?</b>		
<ul style="list-style-type: none"> <li>Stimulating innovation and efficiency               <ul style="list-style-type: none"> <li>- intellectual capital</li> </ul> </li> <li>The role of the customer               <ul style="list-style-type: none"> <li>- protecting the customer</li> </ul> </li> <li>Generating income and employment</li> </ul>	<p>Profit maximisation, investment, quality.</p> <p>Patent and copyright.</p> <p>Market research, customer services, consultation.</p> <p>Consumers' Association; objectives of consumer legislation.</p> <p>Growth and raising living standards.</p>	<p>The creative influence of competition on business.</p> <p>The importance of being able to protect creative ideas.</p> <p>Mechanisms for consulting with customers.</p> <p>The rationale behind consumer law.</p> <p>The impact of growth in business on a growing economy.</p>
<b>Enquiry 2: Who makes relationships?</b>		
<ul style="list-style-type: none"> <li>Business interaction</li> <li>Employer and employee relations               <ul style="list-style-type: none"> <li>- protecting the employee</li> </ul> </li> </ul>	<p>Interdependency, supply chains and joint supply.</p> <p>Employee participation and share ownership, delegation and autonomy, the learning organisation.</p> <p>Security, changing role of trade unions, objectives of employment legislation.</p>	<p>Positive and negative aspects of the relationship between businesses.</p> <p>Changing attitudes to the relationship between employer and employees.</p> <p>The rationale behind employment law.</p>
<b>Enquiry 3: What do accounts reveal?</b>		
<ul style="list-style-type: none"> <li>Financial disclosure               <ul style="list-style-type: none"> <li>- interpretation</li> </ul> </li> </ul>	<p>Corporate control, statutory disclosure and accountability, intangible assets.</p> <p>Interpretation of numerate and non-numerate data; asset turnover ratio and acid test ratio.</p>	<p>The effect of statutory disclosure.</p> <p>The interpretation of resulting data using prior knowledge of ratios.</p>
<b>Enquiry 4: What's being counted?</b>		
<ul style="list-style-type: none"> <li>Protecting the environment</li> </ul>	<p>National, EU and international agreements, legislation and pressure groups.</p> <p>Environmental policies, environmental accounting.</p>	<p>National, EU and international agreements and legislation.</p> <p>Techniques for assessing business activity.</p>
<b>Enquiry 5: Whose responsibility?</b>		
<ul style="list-style-type: none"> <li>Social responsibility</li> <li>Corporate responsibility</li> </ul>	<p>Social audits, types of activity.</p> <p>Policies, boardroom powers, non-executive directors.</p>	<p>The nature and objectives of environmental regulation.</p> <p>Techniques for assessing business activity – the changing relationship between business and the community.</p>
<p><b>Having completed 'Competition, conflict or consensus?', students should be able to evaluate the impact of the market on business and the economy through the use of both written and numerical material. They should appreciate the measures that are taken to influence business behaviour and the pressure on business to act responsibly.</b></p>		

# Coursework

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## The Portfolio

AS	Unit 3	(15%)
A2	Unit 6	(15%)
Advanced GCE		(30%)

In this specification, the full range of coursework pieces produced by any particular student is known as the Portfolio.

### Aim

The aim of the Portfolio is to engage students fully in the real-world investigation of economic and business phenomena. It allows students to demonstrate a range of capabilities through a variety of outcomes. A Portfolio piece will be an integral part of the learning process for the module in question. It will use as its starting point a question or a hypothesis that can be tested. It will involve investigating a range of primary and/or secondary sources. The Portfolio, *as a whole*, should embody investigations using a range of both primary and secondary sources. Students should include a brief explanation of their approach and methods in each Portfolio piece. The findings of each piece will be explained and analysed using relevant theoretical ideas and concepts drawn from the course content. Conclusions will be drawn. Overall, the piece should demonstrate the use of initiative in carrying out the investigation and show some originality.

The Portfolio provides students with the opportunity to generate evidence for all the key skills listed at the end of this document. Please refer to the coursework guidance document for full details on the operation of this aspect of the course, including guidance on suggested titles, sources, word limits, presentation, marking/internal moderation and other matters. It is expected that students will submit their Portfolio pieces word processed.

The student and the teacher who assessed their work must sign student coursework record sheets which may be found in the Coursework Guide. The final submission date for coursework is 15 May.

## Structure of the Portfolio

- **Advanced Subsidiary GCE – Unit 3 (available in June only)**

The Portfolio is built up over the duration of the course. Students will be expected to complete a range of work within their portfolio, from which **two pieces** are to be selected for assessment. One piece must be drawn from Module 1, the other from Module 2 or Module 3. *Each piece of work should be no more than 1,250 words long.*

- **Advanced GCE – Unit 6 (available in June only)**

The Portfolio is built up over the duration of the course. Students will be expected to complete a range of work within their portfolio, from which **two pieces** are to be selected for assessment – one piece from each of the two Options studied. *Each piece of work should be no more than 1,500 words long.*

In awarding an overall mark, centres should consider the piece of work as a whole as well as by individual assessment objectives. Each piece of work must indicate in its main title the name of the relevant module or option to which it relates. The piece of Portfolio work is likely to focus on only a section of the relevant module or option. The focus of the work at both Advanced Subsidiary GCE and Advanced GCE needs to reflect the assessment criteria, where 25% of the marks are awarded for each assessment objective.

### **Word limit**

In preparing their portfolio pieces, students need to adhere to the word limit as given.

## **Marking and moderation of the Portfolio**

### **Marking and internal standardisation**

The work selected from the Portfolio for submission to the board must be assessed by the teacher, according to the criteria. Where there are several teachers involved in the marking process, internal standardisation of all teachers must be undertaken before final marks are established.

### **External moderation**

The internally assessed work selected from the Portfolio will be subject to external moderation in order to bring each centre's assessment in line with standards generally. The external moderator will be responsible for applying Edexcel's standard to the work submitted. Please refer to appendix 2.

### **Coursework moderation**

Information about moderation procedures will be sent to centres making entries for this specification.

## Assessment of the Portfolio – Advanced Subsidiary criteria for Unit 3

The higher levels awarded for assessment criterion 1 require wide-ranging knowledge that is relevant to the question. Similarly, in assessment criterion 2, the level refers to the relevance of a wide range of concepts and ideas. For assessment criterion 3, students will be rewarded for wide-ranging analysis of economic and business problems. In assessment criterion 4, the student needs to evaluate in respect of the content of the piece, **not** in respect of whether the piece has met the objectives it has set.

### Assessment criteria

Knowledge 25 marks	Marking criteria	Additional guidance on marking criteria
19–25	Has shown wide-ranging knowledge of relevant concepts and ideas	The level 4 mark descriptor is relative to the point reached in students' evolving mastery of the subject toolkit – this is particularly important for module 1 investigations in term one. Quality of understanding is at least as significant as quantity of concepts mentioned. A candidate who shows a thorough grasp of relevant early concepts and ideas in Unit 1 should have a level 4 mark (19-25).
13–18	Has shown a good knowledge of concepts and ideas	For level 3, students work will show a reasonably good grasp of relevant ideas and concepts. One indicator of this level of performance is work with ideas linked to each other rather than seen in isolation.
7–12	Has shown knowledge of concepts and ideas in a generalised way	Level 2 work might have concepts and ideas which are mentioned without clear evidence of understanding, eg this could include simple repetition of material from textbooks, handouts, the internet, etc
0–6	Has shown some elements of knowledge	A level 1 mark should be given where there is some attempt to demonstrate knowledge but understanding is clearly weak.
Application 25 marks	Marking criteria	Additional guidance on marking criteria
19–25	Has used a wide range of relevant concepts and ideas	The best work is likely to apply concepts perceptively and appropriately, even in early investigations. Quality is again as significant as quantity. Where application of concepts is convincingly and accurately related to the material being investigated, level 4 is appropriate.
13–18	Has used a relevant selection of concepts and ideas	Sound application, perhaps without the depth of insight of the best work, should earn level 3.
7–12	Has used some concepts and ideas	Level 2 application will typically be characterised by limited development of simple statements.
0–6	Has attempted to use some concepts and ideas	Attempts at application which are significantly flawed should be marked at level 1.

<b>Analysis 25 marks</b>	<b>Marking criteria</b>	<b>Additional guidance on marking criteria</b>
19–25	Has used wide-ranging analysis of economic and business problems	Good analysis combines concepts/ideas with logical development to build up explanations and/or arguments, using evidence effectively. Where concepts/ideas are employed well and development of ideas is logical and convincing, a level 4 mark is appropriate.
13–18	Has used good analysis of economic and business problems	Analysis at level 3 is likely to be less well developed whilst still building an explanation. Ideas are likely to be coherently linked but perhaps fail to develop into a fully substantiated view.
7–12	Has used some relevant analysis	Level 2 analysis frequently has concepts/ideas a little tangled. Use of evidence or explanation/development lacks the coherence seen at higher levels.
0–6	Has made a limited attempt to use analysis	Level 1 analysis is frequently characterised by unsupported assertions: stating as a ‘fact’ something that has not been developed or substantiated.
<b>Evaluation 25 marks</b>	<b>Marking criteria</b>	
19–25	Has evaluated effectively, reaching conclusions that are original	Level 4 evaluations consider a range of evidence appropriate to the investigation, show balance between conflicting points where appropriate, and draw convincingly on the evidence to reach their own conclusions.
13–18	Has evaluated well and reached organised conclusions	Level 3 evaluations have judgements leading to reasoned conclusions, based on a narrower or less balanced use of evidence.
7–12	Has evaluated partially and reached some simple conclusions	Conclusions at level 2 might be simple, ignoring some evidence or stressing points of limited relevance.
0–6	Has attempted to evaluate	Level 1 evaluation is likely to rush to judgement, making little use of evidence or over-generalising from assertions.

## Assessment of the Portfolio – Advanced GCE criteria for Unit 6

The higher levels awarded for assessment criterion 1 require detailed, accurate and wide-ranging knowledge that is relevant to the question. Similarly, in assessment criterion 2, the level refers to the relevance of concepts, theories and methods. For assessment criterion 3, students will be rewarded for logical analysis, appropriate to the nature of the investigation. In assessment criterion 4, the student needs to evaluate in respect of the content of the piece, **not** in respect of whether the piece has met the objectives it has set.

### Assessment criteria

Knowledge 25 marks	Marking criteria	Additional guidance on marking criteria
19–25	Has demonstrated detailed, accurate and wide-ranging knowledge of concepts, theories and contexts, relevant to the investigation	Requires the integration of a wide range of relevant concepts (perhaps some from AS as well as A2 modules), plus clear understanding of the concepts used.
13–18	Has demonstrated a good knowledge of relevant areas, selecting appropriately	Clear understanding of concepts, perhaps shown by linking them rather than treating them in isolation. ‘Toolkit’ knowledge shown is relevant to the title but perhaps of limited breadth.
7–12	Has demonstrated relevant knowledge in a generalised way	Uses concepts in ways hinting at incomplete understanding or simple repetition of material from books, handouts or websites should have a level 2 mark.
0–6	Has demonstrated some elements of knowledge and understanding	Attempts to demonstrate relevant knowledge with only limited valid elements. Commonly, some sound understanding will be combined with muddled or incorrect ideas.

<b>Application 25 marks</b>	<b>Marking criteria</b>	
19–25	Has applied a wide range of relevant concepts, theories and methods, integrated them and used them in a creative and original way	Perceptive and appropriate selection and use of concepts and theories. Effective application of abstract ideas which ‘fit’ to shed light on the investigation, possibly good appreciation of why a ‘fit’ is partial in some contexts.
13–18	Has applied a selection of concepts, theories and methods, integrating economic and business terminology	Relevant ideas, methods and terminology are applied, perhaps in a standard and less imaginative way.
7–12	Has applied some concepts, theories and methods with an attempt at integrating economic and business terminology	Some appropriate application with only limited development in the context, or very limited range of ideas used.
0–6	Has attempted to apply some concepts, theories and methods	Attempts at application with limited validity or significant flaws.
<b>Analysis 25 marks</b>	<b>Marking criteria</b>	
19–25	Has used logical and perceptive analysis of economic and business problems as an integral part of the investigation	Explanations and/or arguments are logical, perceptive and convincing. Concepts/ideas are integrated well with the evidence used in the process of building analysis.
13–18	Has used logical analysis of economic and business problems relevant to the investigation	Ideas are coherently linked in sound analysis. There is a clear emphasis on explanation, which is relevant to the investigation, rather than assertion. The range/quality of analysis is sound but less complete/convincing.
7–12	Has used some relevant analysis in the investigation	There is logical development in analysis with some relevance to the investigation, but development is partial, perhaps leaving gaps which are unexplained.
0–6	Has made a limited attempt to use analysis	Some merit in attempts at analysis but dubious assumptions or logic. Level 1 analysis frequently muddles opinion with fact and leaves assertions unexplained.

<b>Evaluation 25 marks</b>	<b>Marking criteria</b>	
19–25	Has evaluated convincingly, using independence of mind to reach conclusions that are logical, balanced and original	Conclusions reached in the best investigations give insights on the question or hypothesis which are convincing and are clearly based on the range of appropriate evidence and analysis developed. Awareness of contrasting views/evidence is combined with sound personal judgement.
13–18	Has evaluated effectively and reached conclusions in an organised and coherent manner	Evaluation reaches relevant and reasoned conclusions, perhaps drawn from narrower use of evidence.
7–12	Has evaluated partially and reached simple conclusions	There are conclusions relevant to the title for which partial support is given, perhaps ignoring significant areas or constructed in a less convincing way.
0–6	Has attempted to evaluate and reached unsupported conclusions	Attempts at evaluation are made but are significantly flawed, perhaps generalising from assertions or from poorly interpreted evidence.

# Grade descriptions

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The following grade descriptions indicate the level of attainment characteristic of grades A, C and E at Advanced GCE. They give a general indication of the required learning outcomes at the specified grades. The descriptions should be interpreted in relation to the content outlined in the specification; they are not designed to define that content. The grade awarded will depend in practice on the extent to which the student has met the assessment objectives overall. Shortcomings in some aspects of the examination may be balanced by better performances in others.

## **Grade A**

Students will demonstrate in-depth knowledge and critical understanding of a wide range of economic and business theories and concepts. They will apply this knowledge and understanding to analyse familiar and unfamiliar situations, issues and problems, using appropriate numerical and non-numerical techniques accurately. They will effectively evaluate evidence and arguments, making reasoned judgements to present appropriate and well-supported conclusions.

## **Grade C**

Students will demonstrate knowledge and understanding of a range of business and economic theories and concepts. They will apply this knowledge and understanding to analyse familiar and unfamiliar situations, issues and problems, using appropriate numerical and non-numerical techniques. They will evaluate evidence and arguments to present reasoned conclusions.

## **Grade E**

Students will demonstrate knowledge and understanding of a limited range of economic and business theories and concepts. They will show some ability to use this knowledge and understanding in order to analyse familiar and unfamiliar situations, issues and problems, making use of numerical and/or non-numerical techniques. Students' evaluation of evidence and arguments will be limited.

# Textbooks and other resources

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## General

*The Student Book* – 2nd Ed (Nuffield Economics and Business, Longman, 2000)  
ISBN 0-582-40545-9

Teachers' Resource Pack – *Advice, Activities, Key Skills, Software* (Nuffield Economics and Business, Longman 2000) ISBN 0-582-40544-0

## Websites

Nuffield Economics and Business Studies	<a href="http://www.necb.org.uk">www.necb.org.uk</a>
Bized	<a href="http://www.bized.ac.uk">www.bized.ac.uk</a>
Office of National Statistics	<a href="http://www.ons.gov.uk">www.ons.gov.uk</a>
The Treasury	<a href="http://www.hm-treasury.gov.uk">www.hm-treasury.gov.uk</a>
Company sites, eg Glaxo Wellcome	<a href="http://www.glaxowellcome.co.uk">www.glaxowellcome.co.uk</a>
Guardian Newspapers	<a href="http://www.guardian.co.uk">www.guardian.co.uk</a>

## Further reading

Wall Nancy, Lines David, Marcousé Ian and Martin Barry – *The Complete A–Z of Business and Economics Handbook* (Hodder & Stoughton, 2000)

Allan Philip – *Business Review* (four issues per year) [www.philipallan.co.uk](http://www.philipallan.co.uk)

Cook Gary – *Business Studies Update* and *Economics Update* (Hidcote Press – [www.updates.co.uk](http://www.updates.co.uk))

Heinemann – *Studies in Economics and Business* and *Studies in The UK Economy* – several relevant titles recently published, eg *The European Union, Economic Growth and Business Cycles* and *UK Unemployment, Development Economics, External Influences*

*The Inflation Report* (Bank of England, quarterly)

Anderton Alain – *The Student's Economy in Focus* (Causeway Press, annual)

Handy Charles – *The Gods of Management* (Arrow Books, 1995)

Crainer Stuart – *Key Management Ideas* (FT Pitman, 1999)

Philip Kotler and Gary Armstrong – *Principles of Marketing* – European Ed (Prentice Hall, 2001)

Pascale R – *Managing on the Edge* (Penguin, 1991)

Rice Anthony – *Accounts Demystified* (FT Pitman, 1999)

*Economics Today* magazine: c/o Anforme Ltd (including back issues on CD ROM) – [www.anforme.co.uk](http://www.anforme.co.uk)

Gillespie Andrew and Harrison Simon – *Current Topics in Business Studies* (plus accompanying suggested answer schemes) (Anforme)

Cramp Peter – *Understanding Economic Data* (Anforme)

Riley Geoff – *The UN Economy 1990-2000* (Anforme)

Tree Nigel – *The Year in Review and Revision Guide* (Anforme)

### **Data sources**

*World Development Report* (World Bank, OUP, annual)

*Human Development Report* (UN, OUP, annual)

# Support and training

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## Training

### Edexcel Foundation

Edexcel Foundation recognises the value of training in support of the teaching of its specifications. There is an annual programme of training and development that takes place throughout the country. For further information about what is planned for the coming year, please consult the annual Training and Professional Development Guide, which is sent to all centres, or contact the INSET offices, as below:

INSET  
Edexcel Foundation  
Stewart House  
32 Russell Square  
London  
WC1B 5DN

Tel: 0870 240 9800  
Fax: 020 7758 5951  
E-mail: [trainingbookings@edexcel.org.uk](mailto:trainingbookings@edexcel.org.uk)

### The Nuffield Foundation

Support for this specification is also offered by the Nuffield Foundation, which has a network of local contacts in place throughout the country and offers a full range of student conferences and teacher support meetings. The contact details are as follows:

Tel: 020 7436 4512 E-mail: [lwestgarth@nuffieldfoundation.org](mailto:lwestgarth@nuffieldfoundation.org)  
Fax: 020 7323 4877 Website: [www.necb.org.uk](http://www.necb.org.uk)

## Support

Support materials and further copies of this specification can be obtained from:

Edexcel Publications  
Adamsway  
Mansfield  
Notts NG18 4FN

Tel: 01623 467467 E-mail: [publications@linneydirect.com](mailto:publications@linneydirect.com)  
Fax: 01623 450481

- Guide to the Portfolio – offering support on how to deliver the coursework components of this specification.
- Specimen papers – giving examples of how the board might examine the content of this specification.
- Past papers and mark schemes with examiners' comments are available.

# Key skills with Economics and Business Studies (Nuffield)

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The AS/Advanced GCE in **Economics and Business Studies (Nuffield)** offers a range of opportunities for students to both:

- develop their key skills, and
- generate assessed evidence for their portfolios.

In particular, the following key skills can be developed and assessed through this specification at level 3:

- application of number
- communication
- information technology
- improving own learning and performance
- working with others
- problem solving.

Copies of the key skills specifications can be ordered through Edexcel's publications catalogue. The individual key skills units are divided into three parts:

- Part A: what you need to know – this identifies the underpinning knowledge and skills required.
- Part B: what you must do – this identifies the evidence that students must produce for their portfolios.
- Part C: guidance – this gives examples of possible activities and types of evidence that may be generated.

This specification signposts development and internal assessment opportunities which are based on Part B of the level 3 key skills units.

The evidence generated through this specification will be internally assessed and contribute to a student's key skills portfolio. In addition, in order to achieve the key skills qualification, students will need to take the additional external tests associated with communication, information technology and application of number.

Each module will provide opportunities for the development of some or all of the key skills identified. This section identifies the key skills evidence requirements and also provides a mapping of those opportunities. Students will need to have opportunities to develop their skills over time before they are ready for assessment. For each skill you will find illustrative activities that will aid this key skill development and facilitate the generation of appropriate Portfolio evidence. To assist in the recording of key skills evidence, Edexcel has produced recording documentation which can be ordered from the publications catalogue.

# Appendices

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## Appendix 1: Key skills mapping – summary table

Key skills (Level 3)	Module 1	Module 2	Module 3	Module 4	Module 5	Unit 6
Application of number						
N3.1	✓	✓	✓	✓	✓	✓
N3.2	✓	✓	✓	✓	✓	✓
N3.3	✓	✓	✓	✓	✓	✓
<b>Communication</b>						
C3.1a	✓	✓	✓	✓	✓	✓
C3.1b	✓	✓	✓	✓	✓	✓
C3.2	✓	✓	✓	✓	✓	✓
C3.3	✓	✓	✓	✓	✓	✓
<b>Information technology</b>						
IT3.1	✓	✓	✓	✓	✓	✓
IT3.2	✓	✓	✓	✓	✓	✓
IT3.3	✓	✓	✓	✓	✓	✓

Key skills (Level 3)	Module 1	Module 2	Module 3	Module 4	Module 5	Unit 6
<b>Working with others</b>						
WO3.1	✓	✓	✓	✓	✓	✓
WO3.2	✓	✓	✓	✓	✓	✓
WO3.3	✓	✓	✓	✓	✓	✓
<b>Improving own learning and performance</b>						
LP3.1	✓	✓	✓		✓	✓
LP3.2	✓	✓	✓		✓	✓
LP3.3	✓	✓	✓		✓	✓
<b>Problem solving</b>						
PS3.1	✓	✓	✓		✓	✓
PS3.2	✓	✓	✓		✓	✓
PS3.3	✓	✓	✓		✓	✓
PS3.4	✓	✓	✓		✓	✓

## Application of number level 3

The specification provides opportunities for students both to develop the key skill of application of number and also to generate evidence for their Portfolio. As well as undertaking tasks related to the three areas of evidence required, students are also required to undertake a substantial and complex activity. This will involve students obtaining and interpreting information, using this information when carrying out calculations and explaining how the results of the calculations meet the purpose of the activity.

Key skill portfolio evidence requirement	AS/A module	Opportunities for development or internal assessment
<p>N3.1 Plan and interpret information from <b>two</b> different types of sources, including a large data set.</p>	<p>1, 2, 3, 4, 5, 6</p>	<p>Students are required to plan how to obtain and use the information required. They should obtain relevant information (which may be from a large data set of over 50 items) using appropriate methods.</p> <p>Business planning in Module 3 provides an opportunity to combine statistics from surveys with secondary data. Students will need to interpret the information they collect in order to decide whether their plan is viable. The activity should be broken down by students into a series of tasks, including sources of information and issues of accuracy. Through this, they will be able to demonstrate the requirements for N3.2 and N3.3. The relationship between trade and growth in Module 3 also provides another vehicle for this item.</p>
<p>N3.2 Carry out multi-stage calculations to do with:</p> <ul style="list-style-type: none"> <li>a amounts and sizes</li> <li>b scales and proportions</li> <li>c handling statistics</li> <li>d rearranging and using formulae.</li> </ul> <p>You should work with a large data set on at least <b>one</b> occasion.</p>	<p>1, 2, 3, 4, 5, 6</p>	<p>Students must carry out their calculations, which could relate to volumes, powers, averages, formulae, etc, and show their methods of working. They must show how they have checked results and corrected their work as necessary. An investigation into market share and the spectrum of competition (Module 2) allows students to manipulate large data sets and use multi-stage calculations. It will not meet all the criteria in this section but many of these are identifiable at other stages, eg through work on accounting and relevant ratios (Option 3), elasticity (Module 2) and general data interpretation.</p>

Key skill portfolio evidence requirement		AS/A module	Opportunities for development or internal assessment
N3.3	Interpret results of your calculations, present your findings and justify your methods. You must use at least <b>one</b> graph, <b>one</b> chart and <b>one</b> diagram.	1, 2, 3, 4, 5, 6	On the basis of their findings, students must select appropriate methods of presentation, using as appropriate charts, diagrams and tables. They should draw relevant conclusions from their findings. Students should indicate why they have chosen a particular approach and identify possible sources of error in their work and how this work relates to the purpose of the activity undertaken. The product of the opportunities identified for N3.1 and N3.2 would deliver this outcome. Students' Portfolio work would also contain many examples.

## Evidence

Student evidence for application of number could include copies of student's plans; records of information obtained; justification of methods used; records of calculations showing methods used; reports of findings.

## Communication level 3

For the communication key skill students are required to hold discussions and give presentations, read and synthesise information and write documents. Students will be able to develop all of these skills through an appropriate teaching and learning programme based on this specification.

Key skill portfolio evidence requirement	AS/A module	Opportunities for development or internal assessment
C3.1a Contribute to a group discussion about a complex subject.	1, 2, 3, 4, 5, 6	<p>Many of the topics in this specification are suitable as the basis of a group discussion. The discussion must be about a complex subject. This may be based on a number of ideas, some of which may be abstract, very detailed and/or sensitive. Specialist vocabulary may be used in the discussion. During the discussion students should make clear and relevant contributions and develop points and ideas whilst listening and responding sensitively to others. They should also create opportunities for others to contribute as appropriate.</p> <p>One example might be a discussion based on research into market failure (Module 2). Students should investigate areas of the topic such as poverty, changing patterns, government policy and discuss their findings in the light of other people's contributions.</p>
C3.1b Make a presentation about a complex subject, using at least <b>one</b> image to illustrate complex points.	1, 2, 3, 4, 5, 6	<p>Following a period of research, students could be given the opportunity to present their findings to the rest of the group. During the presentation students should speak clearly and use a style that is appropriate to their audience and the subject. The presentation should have a logical structure that allows the audience to follow the sequence of information and ideas. The presentation should include an appropriate range of techniques such as: the use of examples to illustrate complex points, audience experience used to involve the audience, tone of voice varied, etc</p> <p>Where appropriate, images should be used both to illustrate points and to help engage the audience. Images could include charts and diagrams, pictures, maps, etc At least one image should be used to illustrate and help convey a complex point.</p> <p>One example might be a presentation based on a survey and research into a particular business (Module 1), such as Carphone Warehouse. It could focus on people's expectations of the business and provide an initial overview of the course.</p>

Key skill portfolio evidence requirement	AS/A module	Opportunities for development or internal assessment
<p>C3.2</p> <p>Read and synthesise information from <b>two</b> extended documents about a complex subject. One of these documents should include at least <b>one</b> image.</p>	<p>1, 2, 3, 4, 5, 6</p>	<p>Students will have a number of opportunities to read and synthesise information from two extended documents. For example, as part of their preparation for the discussion and presentation of a complex subject, students will need to carry out preliminary research. Also, as students undertake research for their coursework they will need to refer to and synthesise information from a variety of sources. Extended documents may include textbooks and reports and articles of more than three pages. At least one of these documents should contain an image from which students can draw appropriate and relevant information. Students will need to select and read material that contains relevant information. From this information they will need to identify accurately and compare the lines of reasoning and main points from the text and images. Students will then need to synthesise this information into a relevant form – eg for a presentation, discussion or an essay.</p> <p>This could be exemplified by a case study designed to investigate rivalry in business (Module 3). The case of Virgin and BA, for example, provides opportunities to use books and newspapers as well as web sources to build an argument.</p>
<p>C3.3</p> <p>Write <b>two</b> different types of documents about complex subjects. One piece of writing should be an extended document and include at least <b>one</b> image.</p>	<p>1, 2, 3, 4, 5, 6</p>	<p>Students are required to produce two different types of document. At least one of these should be an extended document, for example a report or an essay of more than three pages.</p> <p>The document should have a form and style of writing which is fit for both its purpose and the complex subject matter covered. At least one of the documents should include an appropriate image that contains and effectively conveys relevant information. Specialist vocabulary should be used where appropriate and the information in the document should be clearly and coherently organised, eg through the use of headings, paragraphs, etc</p> <p>Students should ensure that the text is legible and that spelling, punctuation and grammar are accurate.</p> <p>One example might be the identification of factors which create a competitive environment (Module 4). This could be based on students considering the image of a depressed area and thinking about the factors that could bring competitiveness to it. The piece of writing would need to include an interpretation of the image in order to analyse how the situation could be changed. It might also include data and other graphical information to aid the explanation.</p> <p>A second piece could be drawn from other modules and would represent writing for a different purpose.</p>

## Evidence

Student evidence for communication could include tutor observation records; preparatory notes; audio/video tapes, notes based on documents read; essays.

## Information technology level 3

Students will have numerous opportunities to use information technology. The internet, CD ROM, etc could be used to collect information. Documents can be produced using relevant software and images may be incorporated in those documents. Early drafts of documents could be E-mailed to tutors for initial comments and feedback. For this key skill, students are required to carry out at least one 'substantial activity'. This is defined as 'an activity that includes a number of related tasks, where the results of one task will affect the carrying out of the other's. The activity should generate evidence for all three areas of evidence required in Part B of the IT unit.

In addition, students will be able to use information technology to generate evidence for the communication key skill. For example, the extended document with images, required for C3.3, could be generated using appropriate software.

Key skill portfolio evidence requirement	AS/A module	Opportunities for development or internal assessment
IT3.1 Plan and use different sources to search for, and select, information required for <b>two</b> different purposes.	1, 2, 3, 4, 5, 6	<p>Students will need to plan, and document, how they are to use IT as part of the activity, including how they will search for and incorporate relevant information from different electronic sources. These may include the internet and CD ROM. Information selected must be relevant and of the appropriate quality.</p> <p>An example might be an investigation of the current position of the economy in the business cycle (Module 3). This can include the use of data to detect changes in economic variables and the internet for information about how business and government view the economic environment and future trends. This contrasts with the use of the internet to search for information about the dispute between Virgin and BA over competition issues (Module 3).</p>
IT3.2 Explore, develop and exchange information and derive new information to meet <b>two</b> different purposes.	1, 2, 3, 4, 5, 6	<p>Students are required to bring together, in a consistent format, their selected information and use automated routines as appropriate: for example, using icons and macros to generate standard forms of lists, tables, images, etc Students should sort and group the information generated, produce graphs and charts if appropriate, to allow them to draw conclusions. For example, students could be working towards giving a presentation based on their findings. Information could be presented in handouts and/or as part of an automated slide show. Early drafts could be E-mailed to their tutor for feedback, or could be stored on a shared drive for access by others.</p> <p>Students could collect data from their own research to create a database that could be interrogated to establish Maslow's hierarchy (Module 1). The collection of data about a group of companies could be used to identify the degree of competitiveness in a market (Module 4). This could form the foundation of work on contestability. The development of break-even charts and accounts also requires these skills (Modules 1, 2, 3).</p>

Key skill portfolio evidence requirement		AS/A module	Opportunities for development or internal assessment
IT3.3	Present information from different sources for <b>two</b> different purposes and audiences.  This work must include at least <b>one</b> example of text, <b>one</b> example of images and <b>one</b> example of numbers.	1, 2, 3, 4, 5, 6	In presenting information students will need to develop a structure which may involve the modification of templates, the application of page numbers, dates, etc Tutors may provide early feedback on layout, content and style that will result in formatting changes (early drafts should be kept as portfolio evidence).  The final format should be suitable for its purpose and audience, eg AS coursework, OHTs/handouts for a presentation, etc Each would need to use appropriate techniques suitable for the appropriate audience; eg word processing, presentation software, desk-top publishing.  The document should have accurate spelling (use of spell-checker) and have been proof-read.

## Evidence

Student evidence for information technology could include:

- tutor observation records
- preparatory plans
- print-outs with annotations
- draft documents.

## Working with others level 3

To achieve this key skill, students are required to carry out at least two complex activities. Students will negotiate the overall objective of the activity with others and plan a course of action. Initially the component tasks of the activity, and their relationships, may not be immediately clear. Within the activity, the topics covered may include ideas that may be some or all of the following: detailed, abstract, unfamiliar, sensitive. During the activity the student must work in both group-based and one-to-one situations.

Key skill portfolio evidence requirement		AS/A module	Opportunities for development or internal assessment
WO3.1	Plan complex work with others, agreeing objectives, responsibilities and working arrangements.	1, 2, 3, 4, 5, 6	<p>Students could work in groups of six to eight and be required to investigate a given topic. Initial work will require identification of and agreeing of objectives and planning how to meet these, including any necessary action and resources required. The group needs to agree responsibilities and working arrangements. An enterprise activity in which the students learn about the process of adding value will require group activity and therefore planning.</p> <p>The use of a 'trial' to raise questions for debate requires students to plan to work together both in the research process and for the event. A monopoly trial (Module 4) is an appropriate topic and can draw on the MMC website. Form groups to locate and collect statistics on a chosen topic. Activities can be based around most groupwork with a clearly defined outcome, especially for coursework units. The process has to be well planned and monitored to ensure that appropriate considerations are made and evidence is generated. The groups need to plan and listen to views, and identify targets and action, explaining why this will help achieve targets. They need to consider alternatives and suggest improvements in effectiveness. They need to identify working arrangements, be clear about responsibilities and check on communications and support. They need to organise time and resources and work to deadlines. Groups must agree on safe working methods and where to get support. They also need to provide information on progress and changes and describe the benefits of working together.</p>
WO3.2	Seek to establish and maintain cooperative working relationships over an extended period of time, agreeing changes to achieve agreed objectives.	1, 2, 3, 4, 5, 6	<p>Students could produce a report describing targets, organisation, working methods and outcomes. They need to show how targets, responsibilities and working arrangements were agreed, how they confirmed their understanding of targets and how they provided feedback in order to overcome difficulties and to report on progress of work. Students will need to plan and organise their work effectively so that they meet agreed deadlines and maintain appropriate working relationships.</p>

Key skill portfolio evidence requirement	AS/A module	Opportunities for development or internal assessment
WO3.3 Review work of others and agree ways of improving collaborative work in the future.	1, 2, 3, 4, 5, 6	Once the work is completed, the full group needs to review outcomes against the agreed objectives. In doing this they should identify factors that have influenced the outcome and agree on the ways in which the activity could have been carried out more effectively. Students need to produce a report describing targets, organisation, working methods and outcomes. They need to show how targets, responsibilities and working arrangements were agreed, how they confirmed their understanding of targets and how they provided feedback and obtained feedback from others.

## Evidence

Student evidence for working with others could include:

- tutor observation records
- preparatory plans
- records of process and progress made
- evaluative reports.

## Improving own learning and performance level 3

To achieve this key skill students will need to carry out two study-based learning activities and two activity-based learning activities. The specification will provide opportunities for students to undertake study-based learning. One of the study-based learning activities must contain at least one complex task and periods of self-directed learning. Activities that generate evidence for this skill should take place over an extended period of time, eg three months. Over the period of the activity students should seek and receive feedback, from tutors and others, on their target setting and performance. Any substantial project work (including coursework) would be a suitable study-based learning activity and may be used to generate evidence for this key skill.

<b>Key skill portfolio evidence requirement</b>		<b>AS/A module</b>	<b>Opportunities for development or internal assessment</b>
LP3.1	Agree targets and plan how these will be met over an extended period of time, using support from appropriate people.	1, 2, 3, 5, 6	The Portfolio provides a context for this key skill. Students should plan how they are to produce their coursework and set targets for an individual piece of work taking, the time available and the ease of collection of information into account. This will include setting realistic dates and targets and identification of potential problems and alternative courses of action. This will be determined with advice from others, eg their tutor.
LP3.2	Take responsibility for your learning by using your plan, and seeking feedback and support from relevant sources, to help meet targets.  Improve your performance by: <ul style="list-style-type: none"> <li>• studying a complex subject</li> <li>• learning through a complex practical activity</li> <li>• further study or practical activity that involves independent learning.</li> </ul>	1, 2, 3, 5, 6	The plan which has been established in 3.1 should be monitored in terms of time and achievement. Using feedback and support as appropriate prioritise action, manage time effectively and revise the plan as necessary. Use new learning methods to improve performance and adapt those used before to meet new demands.

Key skill portfolio evidence requirement		AS/A module	Opportunities for development or internal assessment
LP3.3	Review progress on <b>two</b> occasions and establish evidence of achievements, including how you have used learning from other tasks to meet new demands.	1, 2, 3, 5, 6	Students should review their own progress and the quality of their learning and performance, including factors that have affected the outcome. They should identify targets met, providing evidence of achievements from relevant sources. They should identify with others, eg their tutor, ways for improving their performance.

### Evidence

Student evidence for improving own learning and performance could include tutor records; annotated action plans; records of discussions; learning log; work produced.

## Problem solving level 3

For this key skill, students are required to apply their problem-solving skills to complex activities. They need to show that they can recognise, explore and describe problems, generate ways of solving problems, implement options and check whether the problem has been solved.

Key skill portfolio evidence requirement	AS/A module	Opportunities for development or internal assessment
PS3.1 Explore a complex problem, come up with <b>three</b> options for solving it and justify the option selected for taking forward.	1, 2, 3, 5, 6	Students will need to identify the problem and explore its main features and agree standards that have to be met to show successful resolution of the problem. This key skill is best addressed through the Portfolio. Students carry out at least four Portfolio pieces during the Advanced GCE course. The questions they pose should be practical and it should be possible to work to a conclusion. The problem should be clearly recognised and sub-divided for assessment purposes. It should be possible to consider a variety of methods for tackling the problem, in order to justify the method selected to take forward.
PS3.2 Plan and implement at least <b>one</b> option for solving the problem, review progress and revise your approach as necessary.	1, 2, 3, 5, 6	The implementation of the chosen option will need to be planned and permission gained to implement it. Implementation of the plan should involve full use of support and feedback from others, with progress reviews and alterations to the plan as necessary.
PS3.3 Apply agreed methods to check if the problem has been solved, describe the results and review your approach to problem solving.	1, 2, 3, 5, 6	Students are required to agree methods to check that the problem has been solved with an appropriate person, eg tutor. These methods should be applied accurately, and a report or presentation should be used to describe the results. The chosen approach and actions should be reviewed. Alternative methods should be examined.

### Evidence

Student evidence for problem solving could include description of the problem; tutor records and agreement of standards and approaches; annotated action plans; records of discussions; descriptions of options; records of reviews.

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