

Scheme of Work

Cambridge International AS & A Level Business

9609

For examination from 2016



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Introduction

Studying Business is about decision making in a business context. Learners will build up a wealth of knowledge about businesses to aid decision making. They will be expected to apply this knowledge to given data, case studies and real world examples. Simply having knowledge is not enough, however, and it is the skills of analysis and evaluation, which we all use to make decisions, that lie at the heart of the Business syllabus.

This scheme of work provides ideas about how to construct and deliver the AS and A Level Business course. The syllabus has been broken down into topics with suggested teaching activities and learning resources to use in the classroom. The activities have been designed to help learners engage with the content and bring learning to life in a stimulating and relevant way, whilst building on the skills of analysis and evaluation. It is important in delivering these that teachers also allocate an appropriate amount of class time and/or homework to studying the subject content underlying these activities.

Recommended prior knowledge

Learners are not expected to have studied Business before, but some basic analysis and evaluation skills from prior IGCSE, O Level or GCSE study will be of benefit.

Outline

The scheme of work is divided into the following topics so teachers have clear and visible coverage of the whole syllabus. The activities provided for each topic are only suggestions and there are many other useful activities to be found in the materials referred to in the learning resource list.

Main topic areas	Level	Suggested AS Level time allocation (%)	Suggested A Level time allocation (%)	Suggested total time allocation %
Business and its environment	AS Level	20%	–	10%
People in organisations	AS Level	20%	–	10%
Marketing	AS Level	20%	–	10%
Operations and project management	AS Level	20%	–	10%
Finance and accounting	AS Level	20%	–	10%
Business and its environment	A Level	–	12%	6%
People in organisations	A Level	–	16%	8%
Marketing	A Level	–	20%	10%
Operations and project management	A Level	–	16%	8%
Finance and accounting	A Level	–	20%	10%
Strategic management	A Level	–	16%	8%

This scheme of work breaks down each of these main topic areas into the constituent topics listed on p.9 of the syllabus. A range of suggested activities are provided for each to help give ideas on how to construct and deliver the course, together with notes on areas of common difficulty, opportunities to link in the wider key concepts, suggested resources and an indication of the overall learning objective to be achieved at this stage. For each activity, the learning objective links to one or more of the topics and sub-topics on p.15–36 of the syllabus so you can see at a glance how this scheme of work covers the syllabus as a whole.

Suggested teaching order

This scheme of work is designed to:

- help teachers ensure that the whole of the syllabus can be taught in the time available
- provide thoughts and ideas about how to construct and deliver the course in the classroom and beyond
- provide sufficient opportunity in this schedule for revision and practice examination exercises before the learners sit the examination (for convenience these are provided at the end of each topic, but for use at whichever points you wish to provide formative assessment and examination practice opportunities).

It is not essential to follow this scheme of work in the order stated but it is best to start with Business and Its Environment because this gives learners a clear understanding of what a business is and the stakeholders involved. It is also best to teach a full section at a time. If teaching is split between more than one teacher and some sections are taught in parallel, Business and Its Environment and Strategic Management should be taught wherever possible, as a complete unit before and after the other modules respectively. The following table illustrates how these options could be addressed in practice (this is not a visual indication of time to be spent).

One teacher AS year one, A Level year two	Two teachers AS year one, A Level year two		One Teacher Two year linear A-Level	Two teachers Two year linear A-Level	
Business and Its Environment (AS)	Business and Its Environment (AS)		Business and Its Environment (AS and A Level except for 1.6 External Influences on Business)	Business and its Environment (AS and A Level except for 1.6 External Influences on Business Activity)	
People in Organisations (AS)	People in Organisations (AS)	Marketing (AS)	People in Organisations (AS and A Level)	People in Organisations (AS and A Level)	Marketing (AS and A Level)
Marketing (AS)	Operations and Project Management (AS)	Finance and Accounting (AS)		Operations and Project Management (AS and A Level)	Finance and Accounting (AS and A Level)
Operations and Project Management (AS)			Marketing (AS and A Level)		
Finance and Accounting (AS)			Operations and Project management (AS and A Level)	Business and Its Environment (only 1.6 External Influences on Business)	
Business and Its Environment (A Level)	Business and Its Environment (A Level)		Finance and Accounting (AS and A Level)	Strategic Management (A Level)	
People in Organisations (A Level)	People in Organisations (A Level)	Marketing (A Level)	Business and its Environment		
Marketing (A Level)	Operations and Project Management	Finance and Accounting (A Level)			

Operations and Project Management (A Level)	(A Level)	Level)	(only 1.6 External Influences on Business)	
Finance and Accounting (A Level)	Strategic Management (A Level)		Strategic Management (A Level)	
Strategic Management (A Level)				

Teaching approach

Research undertaken by Cambridge has shown that teaching which promotes active learning enables learners to become more confident, assured and engaged in their studies, and providing a variety of teaching methods and learner-centred approaches is recognised as a key part of this. So, for every suggested teaching activity in this scheme of work, we have indicated possible approaches by denoting whole class (**W**), group work (**G**), pair (**P**) and individual activities (**I**). Suggestions for homework (**H**) and formative assessment (**F**) are also provided where appropriate.

Opportunities for differentiation are indicated as **basic** and **challenging**: there is the potential for differentiation by resource, length, grouping, expected level of outcome, and degree of support by teacher, throughout the scheme of work. Length of time allocated to a task is another possible area for differentiation.

Key concepts

Key concepts are an important feature of AS and A Level Business (see p.5 of the syllabus) and are intended as a way of enabling teachers to link units and topics together into wider themes that encourage greater depth and breadth in subject understanding. The key concepts for Business are:

- Change** is the only constant in business. Exciting new enterprises are often created in response to economic, cultural or technological changes. Existing businesses must adapt to change if they are to survive and grow.
- Management** is relevant to every person in a business. Good leadership, strong motivation in workers, effective systems and clear communication are hallmarks of successful businesses
- Customer focus** means a business will design and produce goods and services that people want to buy. Customers provide the revenue which sustains a business. Successful businesses really understand their customers and strive to provide products that their customers love.
- Innovation** enables a business to re-invent itself and stay ahead of the competition. The business world is dynamic and companies must seek to innovate through product development, more efficient processes and finding better ways to 'do business'.
- Creating value** is the core reason why any organisation exists. Effective organisations aim to maximise stakeholder value. For most businesses this will be about maximising shareholder value, but social enterprises will also have other, non-financial aims. Stakeholders also need to measure the value that is created.
- Strategy** is about knowing where you are, where you want to get to and how you are going to get there. Managers need to think about, decide on and put into action major long term plans – such as buying another business, entering a new market or developing a new technology.

These concepts are listed in the syllabus, and to help teach them they are also highlighted against appropriate activities in this scheme of work. However, they are not 'more content' as such – they should be looked at more as the guiding principles on which the subject – at A Level and beyond – is based. A business could not be successful without its leaders being conscious of, and responding to, these important ideas. They are also inter-related, and making efforts to link them during the teaching of the course will help learners understand the complex nature of successful business operations.

Why key concepts are important

Each key concept is likely to be revisited several times during the AS and A Level Business course. If key concept 1 – Change – is used as an example, it *could* be referred to in the following syllabus areas (and this list is by no means intended to be exhaustive):

- opportunities for new business start-ups – change can create new markets
- reasons for business failure – change can cause markets to shrink
- technology – evolving constantly to cause change for all businesses
- economic environment – a major external force of change
- consumer tastes and preferences – these changes needed to be monitored by market research
- competitive rivalry – supplier and buyer power, for example, never remain constant and unchanging
- managing strategic change – if not done effectively, the consequences of change can prove disastrous.

If learners are able to develop the ability to see how different strands of the syllabus can be pulled together within one key concept like this, then this higher-level skill can be transferable to other areas of their lives.

How to deliver key concepts in the classroom

While it is up to you as a teacher to decide what is the most effective way of addressing key concepts, this could be done in the following ways:

- when introducing new topics – e.g. the purpose of business can be explained in terms of creating value
- when recapping previous topics – e.g. at A Level, strategic management requires decision makers to focus both on creating value and on customer focus
- to provide context for hard to teach elements – e.g. good motivation, effective communication and useful participation in an organisation can be explained in terms of the style of management used.

They can then also be a useful way to:

- motivate learners – e.g. by helping them to see that this subject is not made up of disconnected units but can be forged, through the key concepts, into an holistic area of study
- help prepare learners for university interviews – e.g. university admissions officers can be impressed by applicants who understand the connected nature of the subject they have studied and are less concerned with specific and disconnected knowledge.

Building key concepts into learning

When a natural opportunity occurs to link learning of a particular syllabus topic or theme to one or more of the key concepts, this is highlighted in the teacher notes for that activity in this scheme of work. It is important to remember that while key concepts are not directly assessed in the AS or A Level exams (there will be no 'key concept' questions), learners who demonstrate an awareness of the inter-connected nature of Business and business decisions in their answers – the approach that key concepts have been designed to encourage – will be meeting the highest assessment objectives.

Teacher support

Teacher Support (teachers.cie.org.uk) is a secure online resource bank and community forum for Cambridge teachers, where you can download specimen and past question papers, mark schemes and other resources. We also encourage teachers to join the discussion forum specific to the syllabus, where topics and issues can be shared. We also offer online and face-to-face training – details of forthcoming training opportunities are posted online.

This scheme of work is available as PDF and an editable version in Microsoft Word format – both are available on Teacher Support at teachers.cie.org.uk. If you are unable to use Microsoft Word you can download Open Office free of charge from www.openoffice.org.

Resources

This scheme of work provides ideas for useful resources to accompany each suggested activity in column 4 of the topic tables. In addition, an up-to-date resource list for this subject can be found at www.cie.org.uk and at teachers.cie.org.uk.

Endorsed textbooks

Textbooks which are endorsed by Cambridge cover the syllabus for which they were written and have been through a quality assurance process to ensure they meet our required standards. The endorsed textbooks for A Level Business at the time of writing are:

Farquharson A, Stimpson P, *Cambridge International AS and A level Business Studies Second Edition* (Cambridge University Press) 2010

Stimpson P, Joyce, P, *Cambridge International AS and A Level Business Studies Revision Guide* (CUP India) 2013

An up-to-date list of endorsed textbooks for each subject can be found at www.cie.org.uk and at teachers.cie.org.uk. Other titles in this scheme of work mentioned as being useful for one or more specific teaching activity are indicated in the learning resources box for that activity, but these have not been endorsed by Cambridge as covering the whole syllabus.

Websites

This scheme of work includes website links providing direct access to internet resources. Cambridge International Examinations is not responsible for the accuracy or content of information contained in these sites. The inclusion of a link to an external website should not be understood to be an endorsement of that website or the site's owners (or their products/services).

The particular website pages in the learning resource column of this scheme of work were selected when the scheme of work was produced. Other aspects of the sites were not checked and only the particular resources are recommended.

Learning content:

www.bized.co.uk

www.businesscasestudies.co.uk

www.businessstudiesonline.co.uk

www.dineshbakshi.com

www.learningcurve.org.uk

www.s-cool.co.uk

www.tutor2u.net

Newspapers and magazines:

www.bbc.co.uk/news/business

www.business-ethics.com

www.economicstimes.indiatimes.com

www.economist.com

www.forbes.com

www.theguardian.com

www.hbsp.harvard.edu
www.ies.ncsu.edu/news-center
www.telegraph.co.uk/finance/newsbysector/industry
www.thinkchangePakistan.wordpress.com

General business sites:

www.acas.org.uk
www.amcham.com.my
www.businessballs.com
www.campdenfb.com
www.change-management.com
www.cim.co.uk
www.gov.uk
www.mckinsey.com/insights
www.mindtools.com
www.prince2.com
www.shell-livewire.org
www.socialenterprisebuzz.com
www.socialenterprise.org.uk
www.young-enterprise.org.uk

Business and its environment (AS Level)

Recommended prior knowledge

Learners starting this course are not expected to have studied Business previously, but it will help particularly with this topic if you bear in mind the separate learning needs of those who have studied this subject at IGCSE or O level and those who are new to the subject and the terms used.

Context

This section provides a firm foundation for the subject. Learners will develop their understanding of the nature and purpose of business activity and be able to identify the key structures, features and objectives of different types of business organisations. They will also develop a clearer understanding that the overall purpose of all business activity is to create value – one of the central key concepts of this syllabus.

Outline

The section explores the nature of business activity and the meaning and importance of enterprise. The observation and analysis of local businesses is encouraged by introducing the different classifications of business activity and different business legal structures. The importance of objectives to effective management of business activity is analysed. The importance of stakeholder groups to business activity and the responsibilities businesses have to these groups are other issues that are studied in this section

Teaching time

It is recommended that this section should take approximately 20% of the AS course (10% of the whole AS and A Level programme).

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Enterprise			
The nature of business activity –purpose of business activity	Put learners into groups and ask each group to use their existing knowledge/awareness of businesses to agree a definition of 'business' and an explanation of what businesses do. On completion, each group presents its ideas to the rest of the class. (G) (Basic) To consolidate, set learners a written assignment such as 'Identify four businesses and explain the main purpose of each of them'. (I or H) (F) (Challenging)	Make this session as lively as possible – relate business activities to learners' own experiences e.g. the range of products and services that they have used that day. No need to take more than 20 minutes. The Bized website link provides one useful approach to this activity.	Farquharson p.4-5 Stimpson p.1 www.bized.co.uk/educators/typein/busactivityintro11

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
		<p>KEY CONCEPT 5: CREATING VALUE This activity gives a good opportunity to focus on this key concept.</p>	
<p>The nature of business activity – the concept of creating value</p>	<p>Explain the concept of ‘creating/adding value’ by introducing the idea of ‘selling for a higher price than the cost of bought-in materials’. (W) (Basic)</p> <p>Then put learners into groups and give each group a list of four (different) businesses. Ask them to discuss how each business could ‘create more value’ and present their ideas to the class. (G) (Basic)</p> <p>Follow this up by asking each group what a business could do to create value from a cheap aluminium tray (NOT carrying food). On completion, each group presents its ideas to the class, who discuss and vote on the best ideas. (G) (W) (Challenging)</p> <p>To consolidate, set learners Question 2a ii) from Cambridge Past Paper 22 May/June 2011. (I or H) (F)</p>	<p>Adding value and creating value – essentially the same concept BUT creating value gives a more ‘proactive’ meaning to the process. Effective business decisions can create value, even to basic materials.</p> <p>Do not allow learners to become confused between ‘added value’ and ‘profit’.</p> <p>KEY CONCEPT 5: CREATING VALUE Businesses that do not create value cannot survive.</p>	<p>Farquharson p.6 Stimpson p.1-2</p> <p>www.tutor2u.net/blog/index.php/business-studies/comments/adding-value-creative-uses-of-a-aluminium-tray.</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>The nature of business activity – economic activity, the problem of choice and opportunity cost</p>	<p>Introduce the concept of ‘scarcity’ and emphasise it does not mean ‘not enough money’. Lead from this into a class discussion on the need for economic activity as a means of production and therefore producing more to meet consumer and business needs (W)</p> <p>Then put learners in pairs to discuss the following questions:</p> <ul style="list-style-type: none"> • what choices have you had to make with scarce resources? • what was the opportunity cost? • how can opportunity cost be applied to the choices you may have made about subjects or the school you attend? 	<p>Learners need to understand that scarcity occurs even in wealthy countries and that the problem of opportunity cost applies to all decision makers – government, business, individuals.</p>	<p>Farquharson p.13-14</p> <p>ecedweb.unomaha.edu/lessons/popcorn.htm</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> what examples can you think of where a business or government has had to make a choice? what was the opportunity cost? <p>On completion, learners report back to the whole class. (P) (Basic)</p> <p>As an additional option, try the ‘popcorn’ activity – see the website link for more information. Use lined paper instead if food is not allowed and tell learners they have to write an essay and need to come and get the paper from a ‘box’ rather than a ‘bag’. (W)</p> <p>To consolidate, set learners a written assignment such as ‘Examine, with the use of examples, the concept of opportunity cost’. (I or H) (Challenging)</p>		
<p>The nature of business activity – the business environment is dynamic</p>	<p>Put learners in groups to discuss questions such as:</p> <ul style="list-style-type: none"> how have your parents’ lives changed since their childhood? what products are available today which were not available 10 years ago? what products do you think might be available in the next 10 years? how could businesses respond to changes such as these? what have been the main causes of recent change in the local area? (G) (Basic) <p>Follow this with a class discussion on the topic: ‘Change is always good for business’. On completion, review the discussion to highlight the key learning points. (W)</p> <p>To consolidate, set learners a written assignment such as</p>	<p>KEY CONCEPT 1: CHANGE KEY CONCEPT 5: CREATING VALUE</p> <p>Introduces the Key Concept of change for the first time. Also link this with ‘creating value’ – how can the businesses you looked at so far continue to create value if changes occur?</p>	<p>—</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	‘Analyse how any business of your choice could be affected by changes in the business environment’. (I or H) (Challenging)		
The nature of business activity – what a business needs to succeed	<p>The factors businesses need to succeed can be taught by planning a new enterprise. Many UK schools operate Young Enterprise schemes – research to see if similar schemes exist in your country that enable groups of learners to set up their own mini-enterprises and compete with each other for the best new ideas. (W)</p> <p>Put learners in pairs and ask them to decide:</p> <ul style="list-style-type: none"> • what they think it takes to organise a concert • what are the five most important elements for success • why each one is important. (P) (Challenging) <p>On completion, each pair feeds back to the whole class so see what range of ideas are provided. Focus on the most important (venue, marketing, the band, security, car parking/transport, merchandise, sales of refreshments, ticketing, etc.) (W)</p> <p>If possible, arrange a class talk with a young entrepreneur – e.g. a former learner at the school/college. Ask them to talk about:</p> <ul style="list-style-type: none"> • how they succeeded when many new businesses fail? • what were the key factors in this success • do these factors transfer to other business types? (W) 	<p>Young Enterprise (or similar activity) could be used over a period of weeks or months to develop the skills needed to create a business start-up. Learners taking part in such schemes are also better able to understand the role and importance of ‘entrepreneurs’ (see next section).</p> <p>The links in the resources column are to the UK and Malaysian schemes, or do an internet search for similar organisations in your own country</p>	<p>Farquharson p.4-5 Stimpson p.2</p> <p>www.young-enterprise.org.uk/</p>
The nature of business activity – why many businesses	The reasons why new businesses fail can also be taught through learners’ experience of planning their own business – see the previous activity for links to Young Enterprise programmes. (W)	<p>Example business failures learners could use for the group activity include:</p> <ul style="list-style-type: none"> • Pan Am 	<p>Farquharson p.9-11 Stimpson p.2-3</p> <p>www.forbes.com/fdc/welcome_mjx.shtml</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
fail early on	<p>Put learners into groups and allocate each group one example of a real local, national or international business failure. Ask learners to:</p> <ul style="list-style-type: none"> • use the internet to research why the business failed • discuss the possible reasons for failure (e.g. lack of original idea, poor/inexperienced management, lack of finance) • briefly present their findings to the whole class (G) (Basic) <p>To consolidate, set learners a written assignment such as 'Analyse the reasons why small businesses are more likely to fail than large ones'. (I or H) (Challenging)</p>	<ul style="list-style-type: none"> • DeLorean Motor Company • Polaroid • Enron • Woolworths. <p>For more able learners, the Forbes website link provides a good but quite advanced article on the reasons for new businesses failing.</p> <p>KEY CONCEPT 5: CREATING VALUE Many new businesses fail to 'create value' and others 'create value' but run out of cash! Other key concepts can be referred to here as well, e.g. poor management, lack of innovation.</p>	
The role of the entrepreneur – qualities an entrepreneur is likely to need for success	<p>Put learners into small groups and give them five minutes to prepare a list of the personal qualities and skills needed by successful entrepreneurs. Either give different business contexts to each group or approach as a general exercise. (G) (Basic)</p> <p>On completion, each group feeds back its ideas to the whole class. Develop a definitive list from this information (W)</p>	<p>KEY CONCEPT 5: CREATING VALUE Successful entrepreneurs are able to 'create value' with their start-up business.</p>	Farquharson p.6-9 Stimpson p.2
The role of the entrepreneur – the role of business enterprise in the development of a business and a country	<p>Ask learners to research and prepare a presentation of a recent successful new business in their own country outlining:</p> <ul style="list-style-type: none"> • what benefits such businesses create for the people and economy of the country • what role entrepreneurship plays in fostering these benefits. (I) (Challenging) 	<p>The Shell Livewire website link about the support offered by one multinational for young entrepreneurs is a good starting point for this activity</p>	Farquharson p.11-12 Stimpson p.3 www.shell-livewire.org/

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Then put the class into groups and ask one learner in each to present their completed presentation to the rest. (G or W)</p> <p>To consolidate, set learners a written assignment such as 'Analyse reasons why the government should encourage more people to become entrepreneurs'. (I or H) (Challenging)</p>		
<p>Social enterprise – the range and aims of social enterprises</p>	<p>As a whole class, read and discuss the case studies of two or three social enterprises in your own country. Focus on what the aims of these social enterprises are. (W) (Basic)</p> <p>Then put learners in groups to prepare a list of the differences between the aims of these organisations and the other business types that have been studied so far. (G)</p> <p>On completion, each group briefly presents these to the class. (W)</p> <p>To consolidate, set learners a written assignment such as 'Using examples, explain the main differences between social enterprises and other businesses'. (I or H) (Challenging)</p>	<p>The website links opposite provide illustrative examples from the UK and Pakistan of the sort of information, articles and lists you should be able to find in your country.</p> <p>Encourage learners to think about activities that are most likely to be undertaken by social enterprises – and activities for which social enterprises might be unsuitable e.g. when big capital investments are needed.</p>	<p>Farquharson p.12 Stimpson p.3</p> <p>www.socialenterprise.org.uk/advice-services</p> <p>thinkchangePakistan.wordpress.com/social-enterprises-in-pakistan/ www.theguardian.com/social-enterprise-network/2013/feb/07/pakistan-social-entrepreneurs-innovation-potential</p>
<p>Social enterprise – triple bottom line: economic (financial), social and environmental targets</p>	<p>Use suggested video, picture and article resources to stimulate a class discussion on the topic: 'Social enterprises are interested in more than profits'. (W)</p> <p>Then put learners into groups and give each group a different business they will be aware of (a local business would be most useful). Ask them to identify what the likely economic, social and environmental objectives may be for that business. (G) (Basic)</p> <p>Each group reports back to the whole class. Consolidate by highlighting the key learning points. (W)</p>	<p>Start with the video case studies on the Socialenterprisebuzz.com website.</p> <p>Link this activity to ethical decision making and sustainable development.</p> <p>KEY CONCEPT 5: CREATING VALUE The 'value' created by a social enterprise needs to be measured in ways other than just profit.</p>	<p>Farquharson p.12 Stimpson p.3</p> <p>www.socialenterprisebuzz.com/2012/11/01/5 – choose '5 Inspiring YouTube videos of Social Entrepreneurs'</p> <p>www.google.co.uk – type 'triple bottom line' into the images search tab</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
			www.economist.com/node/14301663
Progress check – enterprise	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> Farquharson p.15-16 Revision case studies 1 and 2 Stimpson p.4 Multiple choice questions Question 7 from Cambridge Past Paper 11 May/June 2013 Question 7 from Cambridge Past Paper 13 May/June 2013. (I or H) (F) 	<p>Other textbooks with suitable questions on this topic may be available.</p> <p>Past paper/specimen paper questions help learners practise how to answer effectively in the exam.</p>	<p>Farquharson p.15-16 Stimpson p.4-5</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Business structure			
Economic sectors – primary, secondary and tertiary sector businesses	<p>Provide a simple explanation of the distinction between primary, secondary and tertiary sectors. (W)</p> <p>Then hand out a pre-prepared worksheet with names of 20 businesses in your country and put learners into groups. Ask each group to classify each business on the list into the relevant sector (conglomerate businesses could operate in all three). (G)</p> <p>On completion, give feedback to the whole class. (W)</p> <p>Consolidate learning by setting Question 2a i) from Cambridge Past Paper 22 May/June 2011. (I or H) (F)</p>	<p>You can use the suggested video clips (hairdresser, car factory, farmer) to help illustrate these key distinctions.</p> <p>KEY CONCEPT 5: CREATING VALUE Learners need to be able to explain how businesses in all three sectors could 'create value'. This is often easier to do in the secondary/ manufacturing sector but the concept needs to be applied to the other two sectors as well.</p>	<p>Farquharson p.18 Stimpson p.6</p> <p>www.youtube.com/watch?v=l5EV7c15le0</p> <p>www.youtube.com/watch?v=q807djh9sE</p> <p>www.drivingthenation.com/lou-ann-hammond/hyundai-asantour/</p> <p>Cambridge past papers and</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
			accompanying mark schemes are available at teachers.cie.org.uk
Economic sectors – the public and private sectors	<p>Give learners a simple explanation of the main differences between the public and private sector, and ask them to respond with examples of each from your own country. (W)</p> <p>To consolidate learning, set learners a written assignment such as ‘Analyse why some businesses operate in the private sector and some operate in the public sector in our country’. (I or H)</p>	<p>Learners should not confuse public sector organisations with public limited companies.</p> <p>The Wikipedia link is a useful reference to the sort of private and public sector organisations to cover.</p> <p>The Slideshare link helps show the difference between private and public sector organisations in UK/USA, but can be easily adapted to your own country.</p>	<p>Farquharson p.19-20 Stimpson p.6</p> <p>https://en.wikipedia.org/wiki/State-owned_enterprise</p> <p>www.slideshare.net/mraali/difference-between-public-and-private-sector</p>
Legal structures –main features of different types of legal structure, including ability to raise finance	<p>Prepare PowerPoint slides highlighting the main features of each legal form of business. It is essential that you cover issues such as limited liability, raising finance, owner’s independence, and control versus ownership. (W)</p> <p>Then ask learners to produce their own mind-map on this topic – the Bized website provides an illustration of completed one. (I or P)</p>	<p>The gov.uk website link is one useful source of information for this activity.</p> <p>The teaching of this topic does not have to be specifically related to the business legal structures of each country if these are slightly different from those referred to in the syllabus – although local examples can be used to illustrate the main differences between these forms of ownership.</p>	<p>Farquharson p.20-26 Stimpson p.7-8</p> <p>www.gov.uk/business-legal-structures/limited-company</p> <p>www.bized.co.uk/educators/16-19/business/strategy/presentation/busownership2_map.htm</p>
Legal structures –sole trader, partnership, private and public limited companies,	Hand out details of a number of businesses in different situations, e.g. family business, start-up business, multinational business aiming to expand, etc. Then put learners in pairs and ask them to suggest and justify an appropriate legal structure for each (one business each or all depending on time). On completion, each pair feeds back their proposals to whole	This is an area of the syllabus that lends itself to learners making judgements – discussion and debate of different business legal structures for different businesses is important.	Farquharson p.20-28 Stimpson p.7-9

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
franchises, co-operatives, joint ventures	<p>class. (P)</p> <p>To consolidate, set learners a written assignment such as ‘The correct legal structure for a business depends on what factors?’. Learners complete with at least four factors explained. (I or H)</p>	A case study based approach works well for this topic	
Legal structures – concept of limited liability and its importance	<p>Hold a class discussion on the nature of liability and what a business could be liable for, such as:</p> <ul style="list-style-type: none"> • debts • accidents at work • consumer injuries. <p>Follow this by discussing why business owners might want to limit the amount of liability they incur. (W) (Basic)</p>	Limited liability is an essential concept for learners to understand. Spend time making sure they know why owners may prefer to have limited liability.	Farquharson p.20-26 Stimpson p.7-8
Legal structures – problems resulting from changing from one legal structure to another	<p>Put learners into four groups – one to represent each of the four main legal structures of sole trader, partnership, private limited company and public limited company. Ask each group to prepare a table of the advantages and disadvantages of their given structure. (G) (Basic)</p> <p>Then ask one member of each group to join another group so each group now has a learner from each legal structure. Using the tables created in the previous task, learners then discuss what a business might gain by changing from one structure to another, (e.g. sole trader to partnership, private limited company to public limited company). Each group produces a written explanation. (G) (Basic)</p> <p>As part of this, also ask more able learners to explain what the disadvantages of changing structure could be. (G) (Challenging)</p>	–	Farquharson p.20-26 Stimpson p.7-8

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Progress check – business structure	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> Farquharson p.24 Activity 2.2 Stimpson p.10 Multiple choice questions Question 4 from Cambridge Past Paper 13 May/June 2013 Question 1ai from Cambridge Specimen Paper 02. (I or H) (F) 	<p>Other textbooks with suitable questions on this topic may be available.</p> <p>Past paper/specimen paper questions help learners practise how to answer effectively in the exam.</p>	<p>Farquharson p.24 Stimpson p.10</p> <p>Cambridge 2016 specimen papers, past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Size of business			
Measurement of business size – different methods of measuring the size of a business	<p>Introduce the class to the main measures used to compare business size, such as:</p> <ul style="list-style-type: none"> number of employees sales turnover capital employed market capitalisation market share. (W) <p>Then put learners into groups and, using a pre-prepared hand-out or by getting the learners to do their own research (e.g. into public limited companies in own country), ask them to rank the size of up to 10 businesses using the different measures you specify. Ask them then to answer why the results give different rank orders? (G)</p>	<p>The important issue to convey is that the different methods of measuring business size can be contradictory – so there is no ‘correct method’.</p> <p>Note: Profit is not a measure of size but of performance.</p>	<p>Farquharson p.42-43 Stimpson p.12-13</p> <p>Downloaded published accounts of a selection of public limited companies</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	On completion, go through as a class the findings of the group task and discuss which measurement method might be most useful in different industries. (W)		
Significance of small businesses – advantages and disadvantages of being a small business	<p>If possible, arrange for learners to interview at least one owner of a small business, asking them what they see as being the advantages and disadvantages of such a business. (I or G)</p> <p>On completion, each group feeds back to the whole class. (W)</p> <p>Alternatively, if this is not practical to deliver, get learners in groups to compare a small business with a large one in the same industry, e.g. a convenience store and large supermarket group. They then analyse the advantages and disadvantages of the small business compared to the large organisation. (G)</p> <p>On completion, each group feeds back to the whole class. (W)</p>	<p>The advantages of operating a large business can usually be ‘turned round’ to become the disadvantages of small businesses.</p> <p>The two websites listed provide a good starting point for learners to research information for this activity.</p>	<p>Farquharson p.43-47 Stimpson p.13-14</p> <p>www.econsm.com/advantages-disadvantages-owning-small-business/</p> <p>businesscasestudies.co.uk/nfte-uk/ – choose ‘The importance and benefits of small businesses today’</p>
Significance of small businesses – strengths and weaknesses of family businesses	<p>Circulate one or more case studies of family businesses in your own country and ask learners in groups to suggest the possible strengths and weaknesses of it being operated/managed by the family. Ideally, get each group considers a different business. (G)</p> <p>On completion, each group feeds back their findings to whole class. (W)</p> <p>Conclude with a whole class debate: Should management of family businesses always be ‘kept in the family’? (W)</p>	<p>Not all family businesses are small businesses – although many are.</p> <p>The first website link provides a very useful series of video case studies on a typical family business in the UK. The other two links are to useful articles on family businesses (the last one is quite advanced).</p>	<p>Farquharson p.43-47 Stimpson p.14</p> <p>www.nw-businesssense.com/Family-business-video-Pattersons-2.html</p> <p>www.campdenfb.com/article/study-reveals-strengths-and-weaknesses-family-businesses</p>
Significance of small businesses – the importance	Learners investigate the role of small businesses in their own country and consider the benefits of small businesses to the wider economy. What proportion of total employment are small businesses responsible for? Do they export? Have they	The two websites listed provide a useful source of ideas for this topic.	<p>Farquharson p.43-47 Stimpson p.14</p> <p>businesscasestudies.co.uk/nfte-</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
of small businesses and their role in the economy	<p>created new product ideas/solutions? (I)</p> <p>To consolidate, set learners a written assignment such as ‘Small businesses are important to my country’s economy for the following reasons...’. Learners should complete with at least four reasons considered. (I or H)</p> <p>On completion, discuss the main points as a class. (W)</p>		<p>uk/ – choose ‘The importance and entrepreneurship in small business’</p> <p>smallbusiness.chron.com/important-small-businesses-local-economies-5251.html</p>
Significance of small businesses – the role of small businesses as part of the industry structure in some industries	<p>Take examples of small businesses in, for example, the car industry or tourist industry, and explain the benefits they can offer to the whole industry as:</p> <ul style="list-style-type: none"> • suppliers of specialist goods/services • innovators (prepared to try out new ideas) • competitors (encouraging efficiency improvements). (W) <p>Then ask learners to discuss the role of small businesses and identify why a small business is appropriate in that role. (W) (Basic)</p> <p>Follow this by putting learners into groups. Each group takes one of the small business examples discussed in the previous tasks and researches their role in the industry, producing an oral report for the rest of the class of its findings. (G) (Challenging)</p>	<p>The website link is to a useful video resource with Steve Case of AOL explaining how large businesses can benefit from innovative small ones.</p> <p>KEY CONCEPT 4: INNOVATION Many small businesses can provide innovative products or innovative solutions to problems – both of which can be of benefit to large businesses in the same industry.</p>	<p>Farquharson p.43-47 Stimpson p.14</p> <p>www.mckinsey.com/insights/growth/restarting_the_us_small-business_growth_engine</p>
Internal growth – why and how a business might grow internally	<p>Put learners into pairs and give them a case study context from your country of a business that is expanding internally, e.g. more workers, more premises, more equipment. Ask learners to discuss the reasons why this business is expanding and the benefits the business might gain from this, and then draw up a list of reasons for the internal expansion. (P)</p>	<p>The website link is to a simple introduction for learners on this topic, including a quiz.</p> <p>Note that external growth (mergers and takeovers) should be covered in the A Level year of the Cambridge syllabus,</p>	<p>Farquharson p.47 Stimpson p.15</p> <p>www.bbc.co.uk/schools/gcsebit/size/business/aims/sizeandorganisationrev1.shtml</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>On completion, each pair feeds back to the whole class. (W)</p> <p>To consolidate, set learners a written assignment such as ‘The growth of a business has advantages and risks. Discuss’. (I or H)</p>	not in this AS topic.	
Progress check – size of business	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.44 Activity 3.1 • Stimpson p.17-18 Multiple choice questions • Question 5b from Cambridge Past Paper 11 May/June 2012. (I or H) (F) 	<p>Other textbooks with suitable questions on this topic may be available.</p> <p>Past paper/specimen paper questions help learners practise how to answer effectively in the exam.</p>	<p>Farquharson p.44 Stimpson p.17-18</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Business objectives			
Business objectives in the private sector and public sector – nature and importance of business objectives at corporate, departmental and individual levels	<p>Put learners into groups and ask them to make two different lists – one of personal objectives and one of potential business objectives. (G) (Basic)</p> <p>On completion, each group feeds back to the class. Use this for a discussion on the benefits of setting aims/objectives. (W) (Basic)</p> <p>Then put learners into groups and give them a specific business to work on – give half the groups public sector businesses and the other half private sector businesses. Ask each group to draw up a table with at least one possible</p>	<p>Learners need to consider objectives as more than being ‘make a profit’ – although this may well be the long term aim of most other corporate objectives - the impact of other possible objectives on business strategy (decision making) needs to be discussed.</p> <p>The two websites listed provide some useful background material (including a quiz for learners in the second one).</p>	<p>Farquharson p.57-58 Stimpson p.19-20</p> <p>www.tutor2u.net/business/strategy/objectives.htm</p> <p>www.bbc.co.uk/schools/gcsebit/size/business/aims/partnership1.shtml</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>corporate objective for their given business, two departmental objectives that follow on from that corporate objective and four individual objectives for workers/ managers within that business that will help to meet the departmental objectives. (G) (Challenging)</p> <p>Follow this with a class debate on business objectives to consolidate learning. (W)</p>	<p>You do need to reinforce the idea that long term business aims need to be passed down/communicated to the rest of the organisation.</p>	
<p>Business objectives in the private sector and public sector – corporate social responsibility (CSR) as a business objective</p>	<p>Using a case study example from your own country, put learners in groups to discuss the following questions:</p> <ul style="list-style-type: none"> • why is this business spending money/resources on social/ community activities that it is not legally required to? • should all businesses do this? • are there any problems with this approach? (G) (Basic) <p>On completion, each group feeds back its conclusions to the whole class. (W)</p> <p>To consolidate, set learners a written assignment such as ‘CSR must be adopted by all businesses if they are to be successful. Evaluate this view’. (I or H) (Challenging)</p>	<p>Is CSR a help or a hindrance to long term profitability? Does CSR assist a business to ‘create value’? Learners should be able to discuss these issues, by referring to actual examples, once they have completed this section.</p> <p>Try to use own country examples where possible. The websites listed provide some useful introductory, case study, discussion and image resources to help with this.</p> <p>Learners need to be able to question the value of CSR too – especially if it’s perceived as not being a ‘genuine’ approach to social values by business.</p>	<p>Farquharson p.61-62</p> <p>www.google.co.uk – type ‘corporate social responsibility’ into images search</p> <p>www.bbc.co.uk/news/business-19876138</p> <p>businesscasestudies.co.uk/primark – choose the section ‘Beyond corporate social responsibility’</p> <p>www.business-ethics.com/2011/05/12 – choose ‘Does corporate responsibility increase profits?’</p>
<p>Business objectives in the private sector and public sector – relationship between</p>	<p>Ask learners to research company websites on the internet for mission statements. (I)</p> <p>Then put learners in pairs to discuss the statements they found. Do they often state the same message? How useful are they? What is the difference between these and clear objectives? (P)</p>	<p>There is a wealth of information on corporate mission statements available on many company websites. One such example (Coca-Cola) is listed here.</p> <p>KEY CONCEPT 6: STRATEGY First introduction of ‘Strategy’ –</p>	<p>Farquharson p.58-60 Stimpson p.20-22</p> <p>www.coca-colacompany.com/our-company/mission-vision-values</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
mission statement, objectives, strategy and tactics	<p>On completion, each pair feeds back to the whole class. (W)</p> <p>Using a team sporting activity (e.g. football, basketball), hold a class discussion on how a team might devise an objective for a match, how this can be translated into a series of strategies and then into individual tactics. (W)</p> <p>Then ask learners to come up with their own objectives for their A Levels. Write a report on what strategies and day-to-day tactics they intend to employ to meet their objectives. (I) (Basic)</p>	important to link this in with the need to have clear objectives	
Objectives and business decisions – the different stages of decision-making, the role of objectives in decision making	<p>Using a decision-making cycle from the suggested internet search, put learners in groups and ask them to work through each stage using an example business decision you give them such as ‘should we expand?’ or ‘how can we reverse the fall in sales?’ (G)</p> <p>On conclusion go through as a whole class and explain how business objectives are used to reach decisions at each of the stages in the decision-making cycle. (W) (Basic)</p> <p>To help consolidate this, ask learners to consider an important personal decision of their own (e.g. going/not going to university) and then apply the decision-making cycle to this process. (I)</p> <p>On completion, learners feed back to the whole class how well the process could be applied to their own decisions. (W)</p>	<p>The two websites listed provide some useful background material on business decision making.</p> <p>KEY CONCEPT 6: STRATEGY This activity introduces the idea of ‘scientific decision making’. Learners should be able to discuss whether this is always more effective than ‘hunch’ or ‘intuition’.</p>	<p>Farquharson p.57-66 Stimpson p.20-22</p> <p>www.google.co.uk – type ‘business decision making model’ into images search</p> <p>tutor2u.net/business/organisation/decisionmaking.htm</p>
Objectives and business decisions –	Circulate a case study example from your own country of a business that has expanded since being set up (it may be operating in new markets with new products) and discuss as a	Used selectively, the first website provides a useful resource on business objectives. The second provides a	Farquharson p.57-66 Stimpson p.20-22

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>how objectives might change over time</p>	<p>whole class. If no relevant local example exists, Apple is one good case study to use (see the Time magazine website link). (W) (Basic)</p> <p>Then put learners into groups to consider four objectives that this business might have established at different stages of its start-up and development. Also ask them to consider if a successful new competitor entered the market, how might the objectives of the business change again? (G)</p> <p>On completion, each group feeds back to the whole class. (W)</p> <p>Now ask learners to go on to find their own local, national or international example of business which has changed objectives over time and produce an A4 sheet showing the timeline of the business and how different objectives were relevant at different time. (I) (Challenging)</p> <p>Display the completed A4 sheets on the wall for all to read. (W)</p>	<p>useful introduction and learner quiz.</p> <p>Note that SWOT analysis and the impact of the external environment on business objectives should be covered in the A Level year of the Cambridge syllabus, not in this AS topic.</p> <p>KEY CONCEPT 1: CHANGE</p> <p>This refers back to the dynamism of the business environment. Change is a key concept – and internal/external changes might require a business to develop new objectives.</p>	<p>www.businessstudiesonline.co.uk select Theory Notes for AS OCR, and then Unit 1, Section 3, Corporate Objectives</p> <p>www.bbc.co.uk/schools/gcsebit/size/business/aims/partnership/prev3.shtml</p> <p>content.time.com/time/specials/packages/article/0,28804,1873486_1873491_1873530,00.html</p>
<p>Objectives and business decisions – translation of objectives into targets and budgets</p>	<p>Your own school/college can provide a useful setting for this topic. If the long-term objective is to increase learner numbers by 20% in two years, will this require a ‘splitting up’ of the objective into departmental and individual targets and budgets? Ask learners to explain why and then give examples of what these departmental targets could be. (W)</p> <p>To consolidate, set learners a written assignment such as ‘Analyse why SMART objectives are important for a business’. (I or H)</p>	<p>This links in with the previous section on objectives, strategy and tactics, and could be covered at the same time.</p> <p>Note that budgets are addressed in more detail in AS Finance and Accounting and management by objectives in A Level HRM – see below.</p>	<p>Farquharson p.57-66 Stimpson p.20-22</p>
<p>Objectives and business decisions – the</p>	<p>Put learners in pairs and ask them to use a suitable case study to consider how workers might be affected by new business objectives/targets and suggest ways in which these could be</p>	<p>This links to the mission statement, but is the mission statement an effective way of communicating objectives as opposed to</p>	<p>Farquharson p.57-66 Stimpson p.20-22</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
communication of objectives and their likely impact on the workforce	<p>communicated to the workforce. (P)</p> <p>On completion, each pair feeds back to the whole class. (W)</p>	<p>just stating ‘what our business is about’? The website link provides some interesting ideas on this.</p> <p>This activity also links with the previous one – not only the objectives but the targets and budgets need to be communicated to the workforce.</p>	<p>ies.ncsu.edu/news-center/blog/the-importance-of-communicating-goals-and-objectives</p>
Objectives and business decisions – how ethics may influence business objectives and activities	<p>Ask learners to read the Anglo-American case study accessible through the Business case studies website opposite. The put them in pairs to prepare a short presentation on ‘What is meant by business ethics,’ and ‘Should businesses behave ethically?’. (P)</p> <p>Each pair presents to the whole class, which in turn gives feedback the views presented. (W)</p> <p>Then ask learners to research examples from their own country of businesses acting ethically or unethically and provide a written answer to the following assignment: ‘Analyse the costs and benefits of a business having ethical objectives’. (I) (Challenging)</p> <p>To consolidate, set learners a written assignment such as ‘Analyse the reasons why ethical issues are becoming increasingly important in business decision making’. (I or H)</p>	<p>Learners generally enjoy discussions about business ethical dilemmas. There is a close link between this section and CSR.</p> <p>Ethical business decisions mean more than just ‘acting legally’.</p> <p>Case studies are a key part of effective teaching of this topic.</p>	<p>Farquharson p.67-68 Stimpson p.22-23</p> <p>business-ethics.com/ – business magazine on ethical issues</p> <p>businesscasestudies.co.uk/anglo-american/ – choose ‘Why should a business act ethically?’</p> <p>www.telegraph.co.uk/finance/newsbysector/industry/10624268/job-search-business-ethics.html – article on the impact of business ethics on recruitment</p>
Progress check – business objectives	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.69-70 case studies 1–2 and essay questions • Stimpson p.23 multiple choice questions 	<p>Other textbooks with suitable questions on this topic may be available.</p> <p>Past paper/specimen paper questions help learners practise how to answer effectively in the exam.</p>	<p>Farquharson p.69-70 Stimpson p.23</p> <p>Cambridge 2016 specimen papers, past papers and accompanying mark schemes</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> Question 3 from Cambridge Past Paper 12 May/June 2013 Question 1d from Cambridge Specimen Paper 02. (I or H) (F) 		are available at teachers.cie.org.uk

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Stakeholders in a business			
Business stakeholders – individuals or groups interested in the activities of business	<p>Hand out a local case study example of a major business development, such as a large construction project. If no suitable local examples exist, use as an example a major retailer planning to develop a new shopping centre on park land 5 km from your nearest town centre. Go through this as a class. (W)</p> <p>Then put learners into groups and ask them to suggest which stakeholder groups will be affected by this development, such as:</p> <ul style="list-style-type: none"> owners/shareholders managers employees customers suppliers lenders government local community. (G) <p>On completion, ask learners to produce a mind-map of all the local, national and international businesses they are stakeholders of themselves, e.g. as customers, part-time</p>	<p>Major construction project websites often contain details of the potential advantages of such a scheme. Using this information, learners can then research the further details as required (e.g. local unemployment rate, proximity to housing, suitability of local roads for truck deliveries, etc.).</p> <p>The Tutor2u.net link introduces stakeholder groups and discusses the responsibility businesses have to them.</p> <p>KEY CONCEPT 2: MANAGEMENT An important part of the syllabus which introduces the idea of conflict for the first time. Dealing with conflict is an essential part of the role of management – a key concept in this subject.</p>	<p>Farquharson p.72-73 Stimpson p.25-26</p> <p>Website for any major construction project in your own country. (e.g. www.hs2.org.uk/ in the UK).</p> <p>www.tutor2u.net/business/gcse/or/ganisation_stakeholders_ethics.htm</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	employees, living close to, or having relatives working there/owning shares. (I) (Basic)		
Business stakeholders – their roles, rights and responsibilities	Put learners into groups, with each group representing a different stakeholder group. Each group then uses the internet to research and identify the role, rights and responsibilities of its allocated group, feeding back its findings to the whole class. (G)	Use the stakeholder groups covered in the previous activity as a reference for this task.	Farquharson p.73-76 Stimpson p.26-27 www.tutor2u.net/business/gcse/or/ganisation_stakeholders_ethics.htm
The importance and influence of stakeholders on business activities – the impact of business decisions/ actions on stakeholders and their reactions	<p>Staying in the stakeholder groups set up in the previous activity, ask each group to analyse the impact on them of the major local development selected at the start of the topic. Encourage them to look at both the potential advantages and disadvantages. (G)</p> <p>Follow this with a class debate on: ‘This development should be allowed as the advantages are greater than the disadvantages.’ Each group participates in line with its stakeholder role. (G)</p> <p>Then ask learners to research the recent launch of a new product, identify the likely reactions of the different stakeholder groups to the launch and present their findings to the class. (I) (Challenging)</p> <p>Consolidate learning by setting Question 2d from Cambridge Past Paper 22 May/June 2011. (I or H) (F)</p>	<p>KEY CONCEPT 2: MANAGEMENT Conflicts are inevitable (see below). Learners should be given opportunities to suggest how effective management might minimise these conflicts for the benefit of the business.</p> <p>Good examples for the individual task include mobile phones, games consoles, sweets/chocolate bars and cars.</p>	<p>Farquharson p.73-76 Stimpson p.26-27</p> <p>smallbusiness.chron.com/deal-multiple-stakeholders-organizations-62017.html – some useful articles on a range of stakeholder issues</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
The importance and influence of stakeholders on business activities – why	While learners remain in their stakeholder groups, use the website link for a discussion on the ethical positions of different stakeholder groups and how these can influence the perceived advantages and disadvantages of the development you have been looking at. (G)	The Tutor2U link provides a useful recap of corporate social responsibility in the context of stakeholder groups.	Farquharson p.77 Stimpson p.27-28 www.tutor2u.net/business/gcse/or/ganisation_stakeholders_ethics.htm

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
a business needs to be accountable to its stakeholders	Then set a written assignment such as 'Analyse, with examples, how stakeholder groups influence business decisions and how conflicting stakeholder needs can be resolved'. This will provide useful preparation for the next activity. (I or H)		m
The importance and influence of stakeholders on business activities – conflict from stakeholders having different aims	Using the development selected at the start of this topic, ask learners what measures the management (and the government through planning controls) could put in place to resolve the conflicts/different aims identified for each stakeholder group. (W) To consolidate, set learners a written assignment such as 'Select four stakeholder groups that will be affected by the building of a power station in your region. Explain why each group will have different aims, how these aims could conflict and what steps the company could take to resolve them'. (I or H)	It is important to give learners the opportunity to consider how effective management can minimise stakeholder conflicts to the benefit of the business.	Farquharson p.79 Stimpson p.28 www.google.co.uk – type 'stakeholder conflict' into images search businesscasestudies.co.uk/bt – choose 'Stakeholder conflict' Search for own country examples too.
The importance and influence of stakeholders on business activities – how changing business objectives might affect stakeholders	Hand out a business case study example where the original objectives changed over time and use this as the basis for a class discussion in which learners identify what impact these changing objectives will have on different stakeholder groups. (W) (Basic) Then give learners a different stakeholder from the case study. Ask them to decide whether the changes in the case study have had a positive or negative effect on their stakeholder group and write a brief report on their conclusions. (I) (Basic)	It is important to use a case study here where there have been a number of changed objectives. The Apple case study mentioned in an earlier unit can be used as a basis for this if no other case study exists – the website link is repeated opposite.	Farquharson p.73-76 Stimpson p.25-26 content.time.com/time/specials/packages/article/0,28804,1873486_1873491_1873530,00.html
Progress check – stakeholders in a business	Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:	Other textbooks with suitable questions on this topic may be available.	Farquharson p.80-82 Stimpson p.29

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> • Farquharson p.80-82 revision questions, revisions case studies and essay questions • Stimpson p.29 multiple choice questions • Question 4 from Cambridge Past Paper 11 May/June 2010 • Question 4 from Cambridge Specimen Paper 01. (I or H) (F) 	<p>Past paper/specimen paper questions help learners practise how to answer effectively in the exam.</p>	<p>Cambridge 2016 specimen papers, past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

People in organisations (AS Level)

Recommended prior knowledge

Although no prior knowledge of people in organisations is required for this unit, it will help learners to have covered the AS Business and its Environment unit first.

Context

People are an essential part of business. From unskilled workers through to owners and high-powered directors, each person has individual needs, responsibilities and skills. They also offer the greatest flexibility and the most adaptability to changing needs of any resource within the business. Managed well, people are the drivers for increased quality, productivity, creativity and change. Managed badly, however, they can cause significant harm to a business's strategy. Here, learners will learn how to analyse good and bad people management and evaluate the range of techniques that can be applied to improve the management of people in organisations.

Outline

People in Organisations at AS level focuses on the core aspects of managing people in the workplace. Learners will investigate the meaning of management and how good (and bad) leadership can affect a business and its employees. This leads into a study of motivation, the 'get up and go' to do something. What makes employees work hard and how managers can use their leadership skills to get the most from their employees. Lastly the fundamentals of human resource management, the stages through workforce planning and recruitment through to dismissal and redundancy that are essential in the effective management of a workforce.

Teaching time

It is recommended that this section should take approximately 20% of the AS course (10% of the whole AS and A Level programme).

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Management and leadership			
Management and managers – functions, roles and styles of management, Mintzberg's roles of management	<p>As a short introductory activity, pick a job that could be done by either a person or a machine, e.g. making a table. Give learners five minutes to think of the advantages (unique attributes) a person has compared to a machine, and then ask them to feed back their ideas. (I)</p> <p>Follow this up with the video clip on Mintzberg to introduce learners to the functions of management. (W) (Challenging)</p>	<p>Select a job that has some obvious advantages when done by a person such as: creativity, ability to make decisions, flexibility, enthusiasm.</p> <p>KEY CONCEPT 2: MANAGEMENT KEY CONCEPT 6: STRATEGY KEY CONCEPT 5: CREATING VALUE There are many good opportunities to</p>	<p>Farquharson p.142-144 Stimpson p.44</p> <p>www.youtube.com/watch?v=_NRWtd_SiU8 – video clip on Henry Mintzberg</p> <p>Cambridge past papers and accompanying mark schemes are</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Then ask learners to research management by interviewing a local manager (parent, relative, friend etc.), or by doing equivalent internet research. Learners find out what the manager does to carry out the following management functions:</p> <ul style="list-style-type: none"> • setting objectives and planning • organising resources • directing and motivating staff • coordinating activities • controlling and measuring performance. (I) (Basic) <p>On completion learners present their findings to the class. (W)</p> <p>To consolidate learning, include Question 5A from Cambridge Past Paper 12 November 2012 in a class test or homework on this topic. (I or H) (F)</p>	<p>discuss the key concept of management throughout this section. The individual functions of management also add up to create a more holistic strategic approach.</p> <p>The service sector depends on people, and 'tipping' is an example of an employee creating value beyond the price of a product.</p>	<p>available at teachers.cie.org.uk</p>
<p>Leadership – the purpose of leadership, leadership roles, qualities of a good leader</p>	<p>To elicit the purpose of leadership, start by asking learners the leadership roles they know in a business. (W)</p> <p>Then put learners into groups to role-play a meeting involving:</p> <ul style="list-style-type: none"> • a director • a manager • a supervisor • a worker representative. <p>The aim of the meeting is to come to a resolution about a dispute/ conflict (e.g. longer working hours). Allocate roles to learners and give them time to think about what their role's objective is (beyond the objective of the business) and what</p>	<p>For the role play, pick a business that is well-known to learners (e.g. in the news or locally familiar) so learners understand the context.</p> <p>Other aspects of the role play you need to manage include:</p> <ul style="list-style-type: none"> • the line relationships between the workers (who is in charge of whom) • the individual stakeholder objectives (i.e. directors may have a profit motive, managers may be looking at their own utility/benefits, supervisors may be looking to minimise workload and worker representatives may be 	<p>Farquharson p.144-145 Stimpson p.45</p> <p>Local and national news articles about disputes/conflict in the workplace, including industrial action.</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>their leadership responsibilities are. (G) (Basic)</p> <p>After the role-play, bring the whole group together to identify the leadership qualities that learners showed, or (more likely) the qualities they should have shown:</p> <ul style="list-style-type: none"> • how could each type of leader have improved their leadership? • should they have been thinking of their subordinates more or were they focussing on their own issues? • do learners know any managers like the ones portrayed? <p>(W)</p>	<p>focussing on higher pay)</p> <ul style="list-style-type: none"> • the wider leadership responsibilities of each leader (directors have a responsibility for the whole business, managers have a responsibility for their department/area, supervisors have responsibility for operations in their area, worker representatives have responsibility for the workers). 	
<p>Choice of leadership style – autocratic, democratic, laissez-faire</p>	<p>Introduce the three leadership styles (autocratic, democratic, laissez-faire) and ask the class for examples of jobs where each leadership style is predominant. (W) (Basic)</p> <p>Then split the class into four teams, giving three of the teams a different leadership style. The fourth team are observers. The Autocratic and Democratic groups should each have a leader (either the teacher or the group can choose the leader).</p> <p>Give each team a road map. The aim of the task is to find the shortest route between two places and to measure the route using a piece of string.</p> <ul style="list-style-type: none"> • Give the leader of the Autocratic group a set of clear instructions. The leader conveys the instructions to the group and gives them defined roles. • Give the Democratic group several possible ways of finding the route. The leader asks the group for opinions on the best way and then decides which way to use. 	<p>Some good examples of roles include:</p> <ul style="list-style-type: none"> • fire service (autocratic) • education (democratic) • artist (laissez-faire). <p>For the team activity, any detailed road map of any region or country will do – a 'book' type road map adds an extra level of complexity (assuming the starting point and destination are on different pages).</p> <p>The leadership styles the observation group should look out for include:</p> <ul style="list-style-type: none"> • speed of decision making • creativity • motivation • group cohesion. 	<p>Farquharson p.145-148 Stimpson p.46</p> <p>en.wikipedia.org/wiki/Leadership_styles</p> <p>www.google.co.uk – type 'leadership styles' into images search</p> <p>businesscasestudies.co.uk/enterprise-rent-a-car – choose 'Using a range of management styles to lead a business'</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> Give the laissez-faire group the resources (map, string) and aim of the task, but no further assistance. Members of the observation group observe the three groups and make notes on each leadership style. (G) (Challenging) <p>Bring the group back together for a discussion on the advantages and disadvantages of each method used. (W)</p> <p>Set a homework assignment such as Question 2d from Cambridge Past Paper 23 May/June 2012 to consolidate learning. (H) (F)</p>	<p>KEY CONCEPT 4: INNOVATION The most likely ways to increase creativity and innovation are through a less regimented style of leadership. Some investigation into well-known entrepreneurs and the environment that led to their innovation could form the basis of further discussion.</p>	
Choice of leadership style – McGregor's leadership styles	<p>Ask learners to write down on slips of paper or post-it notes the traits or characteristics of leaders/managers they have observed (e.g. from school, a familiar workplace or a film/TV programme).</p> <p>Then draw a horizontal line on the board. At one end write 'Theory X' and at the other 'Theory Y'. Identify and write on the board the extremes of behaviour that exist at either end of the spectrum according to McGregor.</p> <p>Then ask learners to read out one characteristic they identified at the start of the task and stick it on the spectrum with reference to McGregor's extremes of Theory X and Theory Y, explaining why they chose to place it where they did. This should be a quick activity, no more than 15-20 minutes in total. (W) (Basic)</p> <p>Finally, ask learners to pick one of the characteristics from the board they did not add themselves and explain in a brief report:</p>	<p>Understanding that McGregor was writing about management perspectives is important. Too often this is taught as a motivational theory, or as 'Theory X is bad' when a good manager may adapt to the situation appropriately.</p> <p>KEY CONCEPT 1: CHANGE Which of McGregor's leadership styles is most likely to engage with change?</p>	<p>Farquharson p.145-148 Stimpson p.46</p> <p>en.wikipedia.org/wiki/Leadership_styles</p> <p>www.google.co.uk – type 'leadership styles' into images search</p> <p>businesscasestudies.co.uk/enterprise-rent-a-car – choose 'Using a range of management styles to lead a business'</p> <p>www.youtube.com/watch?v=yR03d9gN1nw – a quick introductory video on McGregor's theories</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> • why it is more of a Theory X or Theory Y characteristic • whether or not the leader would benefit from changing their approach. (I) (Challenging) 		
Emotional Intelligence/ Emotional Quotient (EQ) – Golman’s four competencies: self-awareness, social awareness, self-management and social skills	<p>Introduce Golman’s four competencies and discuss the nature of each of the elements. How would learners rank themselves on each scale? (W)</p> <p>Then put learners into groups and give each group one of Golman’s four competencies. They devise five questions which aim to find out a person’s emotional intelligence on that competency. They give the five questions to another group who analyses the questions, looking for aspects that are good and areas where improvements can be made. (G)</p> <p>When learners have a good understanding of each competency, give them a business scenario to analyse and evaluate the usefulness of the competencies. Scenarios could include:</p> <ul style="list-style-type: none"> • hiring new staff • making existing staff redundant • disciplining workers. <p>Ask them to produce a written report identifying scenarios where the competencies are more useful than others. (I) (Challenging)</p> <p>For consolidation and exam practice, include Question 5b from Cambridge Past Paper 12 November 2012 in a class test or homework on this topic. (I or H) (F)</p>	<p>You will need to do some substantial teaching here about the nature of the competencies in the first part of this activity.</p> <p>Learners could use the link to the online emotional intelligence quiz as part of a homework activity on this topic.</p>	<p>Farquharson p.150-151 Stimpson p.47</p> <p>psychology.about.com/library/quiz/bl_eq_quiz.htm – online emotional intelligence quiz</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Progress check – management and leadership	Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:	–	Farquharson p152-3 Stimpson p.48

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> Farquharson p.152-3 case study questions Stimpson p.48 exam-style question Question 2c from Cambridge Past Paper 22 November 2012 Question 6 from Cambridge Specimen Paper 1. (I or H) (F) 		Cambridge 2016 specimen papers, past papers and accompanying mark schemes are available at teachers.cie.org.uk

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Motivation			
Motivation as a tool of management and leadership – the need to motivate employees to achieve the objectives of a business	<p>Discuss the importance of motivation with the class, and ask learners to consider what motivates them. (W) (Basic)</p> <p>Then ask learners to:</p> <ul style="list-style-type: none"> draw a mind-map of the things that motivate them identify on this the most important motivators in their life indicate how these motivators can be used to help achieve their own objectives in life – university, career, etc. (I) <p>Conclude with a class discussion on how useful it is for a business to understand the things that motivate workers. How does it make it easier to achieve the business's objectives? (W) (Challenging)</p>	<p>The mind-maps can be made into posters and displayed on a wall. It can be interesting for the teacher to understand what motivates each learner – this can be used in future teaching of the individual learners.</p> <p>For the final discussion, look at a specific business with which learners are familiar, e.g. a nationwide chain of shops (supermarkets, electrical retailers, etc.) or an international business (Google, Microsoft etc.).</p> <p>KEY CONCEPT 5: CREATING VALUE This is a good point to discuss this key concept. It is likely to be one of the main objectives of a business but learners can find it difficult to link motivation to profits.</p>	Farquharson p.155

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
		<p>By looking at a context such as a restaurant, learners can discuss how a motivated workforce creates more value in the food and service provided than an unmotivated one.</p>	
<p>Human needs – a simple explanation of human needs, how human needs may or may not be satisfied at work</p>	<p>Give each learner a simple 'stick' picture of a person and ask them to spend five minutes labelling the picture with human needs. (I)</p> <p>Each learner then pairs up with another learner to share their ideas and identify those needs which could be satisfied at work and those that can't. Each learner adds their partner's ideas to their own picture. (P)</p> <p>Each pair then joins another pair. Give these groups larger pieces of paper with a stick person drawn on. Each group discusses their ideas so far, adds the best ones to the larger piece of paper, then adds further thoughts on how meeting needs can be achieved in the workplace. (G)</p> <p>On completion, bring learners back together. Each group presents their picture and the class uses these to develop and label a larger picture. Make sure the discussion here focuses on the motivations which can be satisfied by/through work and what the most effective methods are that businesses can use. (W)</p>	<p>Some ideas of 'basic' human needs to get learners started are food, water, sleep, shelter, safety. Make sure they also look at the 'higher' needs such as status, creativity and recognition.</p> <p>You could put these starting suggestions around the room to facilitate discussion.</p> <p>This would be an ideal activity to do on an interactive whiteboard (if available).</p>	<p>en.wikipedia.org/wiki/Fundamental_human_needs – a classification of fundamental human needs</p> <p>www.youtube.com/watch?v=u6XAPnuFjJc – a video clip about what motivates people at work and at home</p>
<p>Motivation theories – ideas of the main content theorists and</p>	<p>Divide the class into smaller teams. Each team researches one of the theorists listed opposite and produces a presentation for the whole class. Each presentation should cover:</p>	<p>Make sure learners focus on the most important theories for each theorist:</p> <ul style="list-style-type: none"> Abraham Maslow's Hierarchy of Needs 	<p>Farquharson p.156-164 Stimpson p.49-51</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
process theorists	<ul style="list-style-type: none"> • brief background of the theorist • outline of their theory • an example of how their theory can be applied • advantages of the theory • disadvantages of the theory • a hand-out for the rest of the class. <p>By the end of the presentations every learner should have a good understanding of each theory. (G)</p>	<ul style="list-style-type: none"> • Frederick Taylor's Scientific Management • Elton Mayo and The Hawthorne Effect • Frederick Herzberg's Two Factor Theory • David McClelland's Managerial Needs • Victor Vroom's Expectancy Theory. <p>Wikipedia, YouTube, Tutor2U and Bized websites all provide good starting points for the learner research.</p> <p>KEY CONCEPT 4: INNOVATION Many of the motivational theorists suggest higher aims including innovation. Why is innovation important to a business?</p>	
Motivation methods in practice: financial motivators, non-financial motivators – the theories in practical situations	<p>Divide the class into six groups, one for each theorist introduced in the previous activity. Each groups use their theorist's theory to explain how the whole class can be motivated and then a sample letter to the Head Teacher explaining how their theory suggests learners within the school should be motivated. (G)</p> <p>Then put learners in pairs to debate the issue: 'Does money motivate?' One learner argues that it does, and finds aspects from the six motivational theories to support their case. The other learner takes the opposite view and backs up their ideas with appropriate aspects from the theories. (P)</p> <p>Consolidate learning with a homework assignment such as Question 1d from Cambridge Past Paper 23 May/June 2014. (H) (F)</p>	<p>The advantage of focussing the first step in this activity on the school learning environment is learners will focus better on non-financial motivators.</p> <p>Differentiate learning by giving more able learners the more difficult or conceptual theorists.</p> <p>Every theorist has some aspects that suggest that money is an important motivator. Learners often focus on higher needs and forget that most workers, no matter how much they love their job, would not work without money.</p>	<p>Farquharson p.156-164</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Motivation methods in practice: financial motivators, non-financial motivators – different payment methods	<p>Develop a number of scenarios of job roles and different payment methods, and separate the pay and job role information. Put learners into groups and ask them to match the workers to the most appropriate method of financial motivation in each scenario. (G)</p> <p>On completion, discuss each scenario as a whole class and decide on the most appropriate method for each. (W)</p> <p>To consolidate learning, set a homework assignment such as Farquharson p.167 Activity and/or p.169 case study questions. (H) (F)</p>	<p>Some good scenarios and payment methods to give each group are:</p> <ul style="list-style-type: none"> • time-based (plumber, painter, mechanic, tutor) • salary (teacher, manager, civil servant) • piece rates (production worker) • commission (salesperson) • bonuses (banker, manager) • profit-sharing (manager) • performance-related pay (accountant, production worker, manager, teacher). <p>This is an excellent opportunity to discuss the skills of analysis and evaluation. There is no 'right' answer to this exercise, only more appropriate solutions. If a learner can present a logical case in context for the use of a financial motivation method then this should be rewarded. Learners often struggle with this and it is important they realise that two learners may present different ideas, but both still be correct.</p>	<p>Farquharson p.164-169 Marcouse and Lines <i>Business Case Studies Second Edition</i>, case study 43</p> <p>businesscasestudies.co.uk/business-theory/ – choose 'People', 'Motivation' and then 'Methods of remuneration'</p> <p>www.tutor2u.net/business/gcse/people_methods_of_pay.html</p>
Motivation methods in practice: financial motivators, non-financial motivators –	<p>Go back to the activity at the beginning of this topic where learners identified human needs. From the list of human needs they created, learners identify those which can be met through money (usually the 'basic' needs) and then make a list of needs which cannot (or cannot easily) be met through financial reward. (W)</p>	<p>This again provides an ideal opportunity to demonstrate the skills of analysis and evaluation by having learners argue for the most appropriate method. If two learners can put forward arguments for different methods, a third learner could briefly summarise the arguments and</p>	<p>Farquharson p.168-174 Stimpson p.53</p> <p>Basic notes on non-financial motivators: www.tutor2u.net/business/gcse/people_motivation_non_financial_rewa</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
non-financial motivators, employee participation	<p>Then give each group a list (with explanations if necessary) of non-financial motivators. Each group should identify (with explanation) the best non-financial motivator for each 'higher' need. (G)</p> <p>On completion, discuss as a class, and where groups have decided to use different non-financial motivators for the same need, discuss the most appropriate method. (W)</p> <p>Then introduce the idea of employee participation. Ask learners to:</p> <ul style="list-style-type: none"> • discuss which human needs can be met through employee participation in the management and control of business activity • debate the advantages and disadvantages of employee participation to the business • compare and contrast this to the advantages and disadvantages to the employees. (W) (Challenging) <p>To consolidate learning, set a homework assignment such as Question 1a from Cambridge Past Paper 22 May/June 2012 and Question 4 from Cambridge Past Paper 13 November 2012. (H) (F)</p>	come to a judgement based on the weight of the arguments.	<p>rds.htm</p> <p>Online quizzes about motivation: www.psychologies.co.uk/tests/what-motivates-you.html</p> <p>www.oprah.com/spirit/How-to-Determine-What-Motivates-You-Motivation-Style</p> <p>www.quibblo.com/quiz/afxKyTZ/What-Motivates-You</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Progress check – motivation	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.174--8 revision and case study questions • Stimpson p.53-54 multiple choice questions • Question 6 from Cambridge Past Paper 13 November 2012 • Question 5 from Cambridge Past Paper 11 November 	–	<p>Farquharson p.174-8 Stimpson p.53-54</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	2012 <ul style="list-style-type: none"> • Question 1d from Cambridge Past Paper 21 November 2012 • Question 1 from Cambridge Past Paper 32 November 2012. (I or H) (F) 		

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Human resource management (HRM)			
Purpose and roles of HRM – its role in meeting organisation objectives	<p>Draw a line across the board. Tell learners that this represents the 'lifecycle' of an employee in an organisation. Add the words 'recruitment' and 'selection' at one end of the line. Now discuss with learners what else might fit on the line. One interesting point would be to include workforce planning and discuss the need for this process to happen before the employee is involved. (W)</p> <p>Then ask learners to create a mind-map of all the elements of human resource management. As they develop these, ask them to address follow-up questions such:</p> <ul style="list-style-type: none"> • why do people require more management than capital items? • if people require more managing, why do businesses sometimes prefer to use people rather than machines? (I) <p>Follow this by asking learners to draw a table with a column for each of the HRM functions. They then identify the day-to-day tasks they might expect someone working in HRM might to in each of the seven identified areas. (I) (Challenging)</p>	<p>This is an introduction to the role of HRM. Learners need to understand why people require management beyond that given to machines and capital items.</p> <p>The seven HRM functions to cover are:</p> <ul style="list-style-type: none"> • recruitment • selection • training • induction • advice • guidance • workforce planning. <p>KEY CONCEPT 6: STRATEGY More able learners should start to see that these seven HRM functions build into a coherent HRM strategy which itself is a vital part of the overall business strategy.</p>	<p>www.youtube.com/watch?v=9ZLbSk1Te68 – video clip introducing HRM</p> <p>www.google.co.uk – type 'what is HRM'</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Recruitment and selection – labour turnover	<p>Put learners into small groups and give them mini-case study examples of businesses with high/low/changing labour turnover figures. Ask each group to discuss and analyse the impact of the labour turnover rates on the business, giving them five minutes with each case study before moving on to the next one. (G)</p> <p>Based on this analysis, ask learners to formulate a brief written solution to the labour turnover problems for one of the businesses looked at. (I)</p> <p>For consolidation, include Question 2c from Cambridge Specimen Paper 2 in a class test or homework on this topic. (I or H) (F)</p>	<p>Labour turnover on its own is a meaningless figure. In some industries, turnover rate should be high – e.g. seasonal businesses, retail business – whereas in other industries turnover should be low – e.g. managerial roles, skilled industries. These are likely to be different in different countries so examples that mean something to learners locally will be better.</p> <p>KEY CONCEPT 1: CHANGE KEY CONCEPT 3: CUSTOMER FOCUS In many businesses, high labour turnover links to both these key concepts. Looking at the impact losing employees can have in terms of these key concepts allows learners to develop a wider understanding.</p>	<p>Farquharson p.197-199</p> <p>www.tutor2u.net/business/people/workforce_turnover.asp</p> <p>Marcouse and Lines, <i>Business Case Studies Second Edition</i>, Case Studies 42 and 47</p> <p>Cambridge 2016 specimen papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Recruitment and selection Job descriptions, person specifications, job advertisements	<p>For a job of their choice, ask each learner to produce a job advertisement, job description and person specification. Learners will also need to carry out brief initial research to ensure these documents match the requirements of the job they have chosen. (I)</p> <p>On completion, display all the job advertisements on a noticeboard. Learners then choose one (or more if time allows) jobs to apply for. They are then given the job description and person specification for those jobs. If they are still interested, they apply with a CV and covering letter. (I)</p> <p>As the next step, learners assess the applications for the job they advertised and shortlist candidates for interview.</p>	<p>Learners can use the suggested internet search to find templates for job descriptions and person specifications on which to base their own as part of the initial research they undertake.</p> <p>You can reduce or expand this activity according to the time available. As it is a useful chance to teach life and general career skills as well, you can if you wish expand it to include:</p> <ul style="list-style-type: none"> • get a member of staff (or business person) to sit on some of the 	<p>Farquharson p.183-185</p> <p>www.google.co.uk – type ‘examples of job descriptions and person specifications’ into the images search</p> <p>obs.acas.org.uk/modelworkplace/Landing.aspx – learning modules by ACAS on people management</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Learners who do not receive job applications can prepare interview questions. (I)</p> <p>If time is available, job interviews can take place, with learners role-playing the interviewee and interviewing panel. (G)</p>	<p>interview panels</p> <ul style="list-style-type: none"> • a member of staff can provide brief candidate references to use in shortlisting • use real job ads from the newspaper or by typing 'job application forms' in an internet search engine. 	
Employment contracts – main features	<p>Ask learners to undertake research on contracts of employment in their own country and investigate the:</p> <ul style="list-style-type: none"> • legal obligations of employers to provide a contract/written statement of particulars • likely contents of a contract of employment • advantages of a contract of employment (business perspective) • advantages of having a contract of employment (employee perspective). (I) <p>On completion, learners produce a written report on their findings. (I) (Challenging)</p> <p>The put learners into groups and ask them to share their finished reports should be shared, discussing the differences and similarities in findings. (G)</p>	<p>The contract of employment exists from the moment of employment, not just when a written contract or statement of particulars is provided. The contract puts requirements on the employer and employees and this should be explored in different contexts.</p> <p>The contents and specifics of a contract (or written statement of particulars in some countries) will differ from country to country.</p>	<p>Farquharson p.188-191 Stimpson p.59</p> <p>www.search4solicitors.com/article.php?ArticleID=17 – article on the importance of a contract of employment</p>
Redundancy and dismissal – difference between redundancy and dismissal	<p>Ask learners to research a local, national or international business that has made its workers redundant (news articles are a good source for this) and write a report including an explanation of:</p> <ul style="list-style-type: none"> • the reasons for the redundancies • why this situation is redundancy not a dismissal 	<p>The difference between dismissal and redundancy is often misunderstood. Terms like 'being sacked' or 'let go', show a lack of understanding. Learners must be able to differentiate between the two and use the correct terminology – for example, redundancy rather than dismissal must be used in the context of</p>	<p>Farquharson p.187-188</p> <p>businesscasestudies.co.uk/business-theory/ – choose 'People', 'Protecting people' and then 'Transfers and termination of employment'</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> the likely costs to the business of the redundancies (focussing on quantitative and qualitative costs, e.g. financial and image) if the business is still trading, what are the benefits to the business of the redundancies (e.g. technological economies of scale, higher productivity etc.) (I) <p>Then put learners into small groups. Give each group a type of job (teacher, supermarket checkout operator, football club manager etc.). For each role, the group explores the type of misconduct which may result in a warning and the type of misconduct which may result in dismissal. (G)</p> <p>Each group reports back to the class about their findings. (W)</p>	<p>cost-saving measures as it opens the door to further analysis of the short-term costs to the business of redundancy versus the possible long-term benefits.</p> <p>There is no need for learners to know the details of any specific countries' laws on unfair dismissal. However, an exploration of the laws in the learners' own country can be used as an extension activity and encourages learning beyond the specification.</p>	<p>www.youtube.com – search for clips on unfair dismissal in different countries.</p>
Staff morale and welfare – relationship between HRM, staff morale and welfare, concept of work-life balance	<p>Ask learners to identify the activities in their life which require time, e.g. school, homework, revision, sport, family, meals, friends and sleep.</p> <p>They then draw a timetable for the whole week, giving each day a column time of 24 hours. Using the previous week for reference, they fill in the diary for the coming week making sure every block of time is filled in. Finally, they divide this information into the percentage time they spend on the different areas of their life. (I)</p> <p>Then put learners into pairs learners to compare and contrast each other's work-life balance:</p> <ul style="list-style-type: none"> what are the major differences? what improvements could be made to achieve the learners' life objectives? what is getting in the way? how might they expect their work-life balance to change 	<p>Work-life balance is something that concerns learners as much as adults. In many ways it is part of the 'growing up' process in terms of understanding the shifting time demands that studying and work makes on people.</p> <p>Make learners aware that their preferred work-life balance may influence their career choices in the future.</p> <p>You can also extend this to look at occupations where traditionally there is not a good work-life balance, such as:</p> <ul style="list-style-type: none"> junior doctors teachers high-powered managers shift workers 	<p>Farquharson p.188</p> <p>www.mindtools.com/pages/article/newHTE_93.htm – wheel of life activity</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>over the course of their life?</p> <ul style="list-style-type: none"> • how does their work-life balance differ from their parents? (P) <p>To put this in a business context, lead a whole class discussion on how much responsibility a business has to consider the morale and welfare of the workers it employs. What are the benefits of using HRM techniques to improve employee morale and welfare? What are the costs to the business? (W)</p> <p>Finally, put learners into groups to prepare a leaflet outlining the importance to a business and employees of other aspects of staff morale and welfare, such as:</p> <ul style="list-style-type: none"> • bullying policies • staff consultative committees • flexible working • performance management processes (G) (Challenging) 	<ul style="list-style-type: none"> • rock/pop musicians. <p>This topic also links well with the earlier leadership and motivation topic, providing a good opportunity to refresh learning – to what extent do workers want a business to consider their work-life balance, or are most workers able to make their own choices?</p>	
Staff morale and welfare – policies for diversity and equality	<p>Ask learners to create a mind-map of the issues/areas they think that equality and diversity covers, such as age, race, religion, etc. Relate this to the laws in the country that learners live. (W)</p> <p>Then ask them to analyse the benefits and costs to a firm of promoting diversity as a written response to a given case study example. The benefits may include:</p> <ul style="list-style-type: none"> • greater pool of workers to choose from • better pool of skills • lower legal costs • better business image. 	<p>Learners often want to explore the issue of discrimination and equality further. It is important to emphasise the need to discriminate (on effort, on ability, on qualifications etc.) but the importance of not discriminating on characteristics which are illegal and/or do not impact upon the ability to do a job.</p> <p>KEY CONCEPT 1: CHANGE</p> <p>The key concept of change is important in the area of diversity and equality. How have businesses had to cope with a changing society? What issues are</p>	<p>www.legislation.gov.uk/ukpga/2010/15/contents – about UK Equality Act 2010</p> <p>www.csc-scc.gc.ca/vids/htm/eed-eng.shtml – inclusive workforce clip from Canadian Correctional Service</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>The costs may include:</p> <ul style="list-style-type: none"> • higher recruitment costs • longer recruitment process • greater training needs • communication barriers. (I) <p>On completion, ask learners to investigate diversity and equality policies from other businesses using the internet. Each learner finds two policies from different organisations and displays them on the board for all learners to review. (I) (Basic)</p>	<p>important now that perhaps were not considered in the past? How can businesses make sure they are ready for changes in legislation and society values in these areas?</p>	
<p>Staff training – its purpose as a means of developing skills and motivating the workforce</p>	<p>Ask learners to research at least four steps in their chosen career path, e.g. from an entry point into a junior position after A Levels, right through to senior management. At each step learners then investigate what training they might need to progress on to the next step and consider why that training is important and they could convince the business to pay for that training?</p> <p>Learners then write a draft letter to their line manager outlining the training they need at a given stage and explaining the benefits to the business. They should aim to convince their manager with the arguments they use. (I)</p> <p>On completion, learners swap their letters with another learner to help improve the content. (P) (Challenging)</p> <p>For consolidation, include Question 1c from Cambridge Past Paper 23 November 2012 in a class test or homework. (I or H) (F)</p>	<p>This is a useful exercise for learners to focus on their own career goals and training needs in context.</p> <p>KEY CONCEPT 5: CREATING VALUE Training is an obvious area to link to the key concept of creating value. Discussions can focus on the value that a trained workforce can make in:</p> <ul style="list-style-type: none"> • production • quality • innovation (key concept) • service provision • customer focus (key concept). 	<p>Farquharson p.185-187 Stimpson p.57</p> <p>www.tutor2u.net/business/people/training_introduction.asp</p> <p>www.learningcurve.org.uk/courses/ladder4learning/resources/training_needs_analysis – online training needs analysis tools</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Progress check – human resource management	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Stimpson p.60 multiple-choice questions • Farquharson p.193-4 case study and essay questions • Question 1c from Cambridge Past Paper 22 November 2012 • Question 2c from Cambridge Past Paper 23 November 2012. (I or H) (F) 	<p>Other textbooks with suitable questions on this topic may be available.</p> <p>Past paper/specimen paper questions help learners practise how to answer effectively in the exam.</p>	<p>Stimpson p.60 Farquharson p.193-194</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Marketing (AS Level)

Recommended prior knowledge

Although no prior knowledge of marketing is required for this unit, it will help learners to have covered the AS Business and its Environment unit first.

Context

Marketing is one of the key functions of a business. It involves the identification of needs in consumers and customers, finding ways to satisfy these needs and repeating the process whilst achieving the businesses objectives. Marketing is also an all-encompassing area that works in combination with all the other functions of a business. Here learners will develop the skills to explain how and why businesses market their products and be able to analyse and evaluate how businesses can do this better.

Outline

This section explores how business find out what customers and consumers actually want through market research and how to use the basic tools of marketing – the marketing mix. By manipulating the product, price, promotion and place of a business, an organisation can effectively reach their goals and objectives.

Teaching time

It is recommended that this section should take approximately 20% of the AS course (10% of the whole AS and A Level programme).

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
What is marketing?			
Role of marketing and its relationship with other business activities – marketing objectives and corporate objectives	<p>Introduce the topic by putting learners in groups and asking them to think about what marketing is. They use whatever resources are available to research this, but should cover more than one source. The group uses this research to come to their own definition. (G)</p> <p>Follow this with a class discussion on the definitions the groups have produced. (W)</p> <p>Then put the class into small groups and hand out a number of different advertising and promotional methods. Each group discusses the objective behind the promotion. (G)</p>	<p>Learners are likely to come up with varied definitions but the main aspects involved should be:</p> <ul style="list-style-type: none"> • identification of needs • satisfaction of needs (at a profit?) • regeneration of needs. <p>Try to use a combination of promotional methods so that learners do not just think that marketing is about advertising. The range of methods could include:</p>	<p>Farquharson p.243-4 Stimpson p.81</p> <p>www.getin2marketing.com/discover/what-is-marketing – information and videos</p> <p>Farquharson p.245-246</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>The groups share their findings with the class, who discuss the suggestions and draw up a definitive list of marketing objectives. (W)</p> <p>At this point, hand out a case study example for learners to work through to show how marketing objectives link to corporate objectives. (I)</p> <p>For consolidation, include Question 7a from Cambridge Past Paper 13 November 2012 in a class test or homework. (I or H) (F)</p>	<ul style="list-style-type: none"> • direct mail • TV advert • radio advert • merchandise • sponsorship of local team. <p>KEY CONCEPT 6: STRATEGY Linking together different aspects of business is one of the key components of strategy.</p>	
Supply and demand – factors influencing supply and demand	<p>Split the class into an even number of groups. Half the groups focus on demand, the other half on supply. Give each group a product. The same product should be given to one 'demand' group and one 'supply' group.</p> <p>Each group lists all the factors they can think of which affect either the supply or demand of their product respectively. (G)</p> <p>As a class, bring all of the identified factors together into a 'definitive' list of factors which affect supply and demand. In particular, identify ones that differ from product to product. (W)</p> <p>To consolidate learning, set a homework assignment such as Question 2 from Cambridge Past Paper 12 November 2012. (H) (F)</p>	<p>The products should give plenty of scope for bringing out all the factors influencing supply and demand. Some good examples include:</p> <ul style="list-style-type: none"> • fruit • clothes • water • hairdressing • oil • cars • public transport. 	<p>Farquharson p.248-251 Stimpson p.82</p> <p>www.google.co.uk – type 'supply and demand' into images search for many other useful graphs and visual images</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Supply and demand – interactions	Put learners in groups and ask them to think about the factors which would affect the demand and supply of a product. Each group focuses on a different product and	The products should include a combination of different sectors (primary, secondary and tertiary).	Farquharson p.248-251 Stimpson p.82

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
between price, supply and demand	<p>then feeds back to the whole class. (G) (Basic)</p> <p>Follow this with a class discussion about how important the factors the groups have found are, compared to changes in price. Is price the most important factor for the given products? (W) (Challenging)</p>	<p>To increase the difficulty of the activity, learners should identify the shift in the demand and supply curve from a change in the factors. This can then be linked to a change in equilibrium price.</p>	
Features of markets: location, size, share, competitors, growth – problems in measuring market share and growth, implications of changes to market share and growth	<p>As a class, analyse a market where there are some well-known businesses competing against each other. Discuss the market share of each business and how the figures may have been compiled. (W)</p> <p>Learners then compile a factsheet of the changes in market share over a time period (e.g. on a pie chart) and the market growth over a time period (e.g. on a line graph). Based on the compiled data, learners then write answers to the following questions:</p> <ul style="list-style-type: none"> • identify the major trends in market share and market growth • explain how the market leader may have reacted to the trends • analyse the impact of the change in market size on one of the businesses • analyse the problems of measuring the market share • evaluate the usefulness of the data to one of the businesses. (I) (Challenging) <p>Set a homework assignment such as Farquharson Activity 14.4, 14.5 and/or p.254 case study questions to consolidate learning. (H) (F)</p>	<p>The data can be researched as a group, or the figures prepared by the teacher in advance. Some good examples of markets to use may be:</p> <ul style="list-style-type: none"> • soft drinks market • fast food market • supermarket industry • social media providers • TV/internet providers. <p>The data can be turned into a data response question using the questions. Care should be taken to use businesses and time periods where there is enough data and changes to analyse and evaluate.</p> <p>KEY CONCEPT 1: CHANGE Looking at data over time is one element of change that a successful business must not only cope with but respond to. Using market data to identify change and then suggesting how to cope with this change will help learners understand the dynamism of a business and its environment.</p>	<p>Farquharson p.251-254 Stimpson p.83-84</p>
Features	Select a number of different businesses and their	Each business should be accessible for the	Farquharson p.249 and p.255-259

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>of markets: location, size, share, competitors, growth – how markets may differ, product and customer orientation</p>	<p>markets, allocate one to each learner and ask them to investigate the features of the markets for their given business. Learners should include in their written investigation:</p> <ul style="list-style-type: none"> • an outline of the business • the location of the business • market size • market share • competitors of the business • predicted market growth. (I) <p>On completion, learners present briefly to the whole class to share learning. Use this to lead into a wider discussion on how the different features vary between regional, national, international, product- and service-led businesses. (W)</p> <p>To consolidate learning, set a homework assignment such as Farquharson p.249 case study questions. (H) (F)</p>	<p>learners so that the investigation can be more than just searches on the internet.</p> <p>Learners can be encouraged to visit the businesses and, if time permits, design and carry out a questionnaire for customers of the business.</p> <p>The chosen businesses should include:</p> <ul style="list-style-type: none"> • a regional business • a national business • an international business • a product orientated business • a customer orientated business. 	<p>Stimpson p.84-85</p>
<p>Industrial and consumer markets – classification of products, marketing of different types of goods and services</p>	<p>Ask learners to select a product which can be sold into both the industrial and consumer market. They then research and produce a written report on the different ways in which that product is marketed to these different markets. The report should include:</p> <ul style="list-style-type: none"> • a classification of the markets that the product is sold to (consumer and industrial) • is the product design different for the different markets? • is the price different? 	<p>Some good examples of products which are easily accessible for the industrial and consumer market are:</p> <ul style="list-style-type: none"> • building/DIY tools • hairdressing implements • cooking utensils • vehicles. <p>KEY CONCEPT 3: CUSTOMER FOCUS Too often learners think that customers</p>	<p>Farquharson p.249 and p.255-259 Stimpson p.84-85</p> <p>en.wikipedia.org/wiki/Industrial_marketing</p> <p>www.tutor2u.net/business/marketing/market_types.asp</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> • is the packaging different? • how might the promotion methods be different? • where/how is the product sold to the different markets? (I) (Challenging) 	<p>must be individuals, whereas many customers are internal and/or industrial. Being able to adapt to the context given and focus on what that particular customer wants is an essential part of business.</p>	
<p>Niche versus mass marketing – reasons for and benefits/limitations</p>	<p>Follow this with a class discussion on the difference between niche and mass markets. Make sure you cover examples of industries which include both techniques. (W) (Basic)</p> <p>Then put learners in pairs and ask them to look at two businesses with similar products. One should be a niche market business and the other a mass market business. Using a large sheet of paper, each pair produces a poster (divided into four segments) identifying the benefits/limitations of each business (one category per section). (P) (Basic)</p>	<p>Some examples of products where there are niche and mass market business include:</p> <ul style="list-style-type: none"> • food and drink • clothes • furniture. 	<p>Farquharson p.255-256 Stimpson p.84-85</p>
<p>Market segmentation – methods (including geographic, demographic, psychographic), benefits and limitations</p>	<p>Use a number of magazine front covers to analyse different market segments. Look at each magazine in terms of the different market segments that the magazine is aimed at. Find examples of geographic, demographic and psychographic segmentation. (W) (Basic)</p> <p>Then ask learners to design their own magazine front cover on a single theme but with different versions targeting different market segments. On completion, learners write a brief report, analysing the benefits and limitations of targeting a specific segment. (I) (Challenging)</p>	<p>Magazines are a good resource for looking at market segmentation because there are so many different ones on the market. These do not need to be bought, as many examples are available on the internet.</p> <p>For the magazine covers, learners use a single theme and focus on how to target it to many different market segments. Useful themes include:</p> <ul style="list-style-type: none"> • fashion • food and drink • travel. 	<p>Farquharson p.249 and p.251-254 Stimpson p.83-84</p> <p>www.youtube.com/watch?v=pCLQkgcjMjY (challenging as it goes beyond A Level syllabus requirements)</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

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	For consolidation, include Question 7b from Cambridge Past Paper 13 November 2012 in a class test or homework. (I or H) (F)	KEY CONCEPT 4: INNOVATION This is an opportunity for learners to be creative and come up with a unique magazine cover that fulfils the purpose for the market segment.	
Progress check – what is marketing?	Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include: <ul style="list-style-type: none"> • Farquharson p.260-1 case study questions • Stimpson p.86 multiple choice questions • Question 7 from Cambridge Past Paper 11 May/June 2010. (I or H) (F) 	–	Farquharson p.260-1 Stimpson p.86 Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Market research			
Primary and secondary research – purpose in determining customer characteristics/ consumer profiles, wants and needs	Using the learning from the previous topic on market segmentation, give learners a specific market segment. Then ask them to think of ways to research who has the identified characteristics, wants and needs of that segment and produce a written plan for conducting this research. Encourage them to think about both primary and secondary research methods. (I) (Basic) To add differentiation, give tougher segments to more able learners. (Challenging)	Market segments chosen should reflect local and national characteristics that learners can relate to.	Farquharson p.264-270 Stimpson p.88 www.bized.co.uk/learn/business/marketing/research/index.htm – a range of lesson plans, case studies and more www.gov.uk/market-research-business – UK government advice and video

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	Consolidate learning of this topic by setting a homework assignment such as Question 2a ii and 2b from Cambridge Past Paper 22 November 2012. (H) (F)		Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk
Methods of information gathering – primary and secondary research methods, advantages/ disadvantages of each method	Put learners into groups, and ask each one to prepare a presentation for the whole class about market research. Give each group a different method and information source so collectively all the primary and secondary methods are covered. Each presentation should include: <ul style="list-style-type: none"> • whether it is primary or secondary research • explanation of the method/source • if possible, a practical example, a role-play or some examples of the data collected • the advantages of the method/source • the disadvantages of the method/source. (G) To consolidate learning, set a homework assignment such as Farquharson Activity 15.3 and/or 15.4. (H) (F)	Make sure all the following areas are covered between the different groups for this activity: <ul style="list-style-type: none"> • primary research methods: <ul style="list-style-type: none"> – focus groups – surveys • secondary research information sources: <ul style="list-style-type: none"> – printed – paid-for – web-based 	Farquharson p.264-274 businesscasestudies.co.uk/kelloggs – choose ‘New products from market research’
Sampling methods – random, stratified and quota sampling, appropriateness to/limitations in given situations	Divide the class into three groups. Each group conducts a small piece of market research (one question) using a given sampling method from the following list and records the answers: <ul style="list-style-type: none"> • <i>random</i>: learners stand in a public area of the school/college and ask random people the question • <i>stratified</i>: the school/college is split into year groups (Year 7, Year 8 etc.) and then by gender (if school is mixed gender). This gives proportions for each strata of the sample. Their sample should represent the correct proportions for each strata 	Learners often remember random and quota sampling, but struggle with stratified sampling, therefore it is worth spending longer on this method. There are only two reasons for a business to use sampling. It is quicker and it is cheaper. Learners need to understand this. KEY CONCEPT 3: CUSTOMER FOCUS Choosing a sampling method is about understanding your customers. For many businesses their customers share	Farquharson p.270-273 Stimpson p.89

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> <i>quota</i>: learners split the population of the school into quotas of ages. The sample should include a specific number of 11-year-olds, 12-year-olds etc. (G) (Basic) <p>If there are enough learners in the class, assign each group an observer whose role is to identify the advantages and disadvantages encountered by the researchers. (G) (Challenging)</p> <p>On completion, groups feed back to the whole class, including the appropriateness and limitations of the method they used. (W)</p>	<p>characteristics and an understanding of these allows for better sampling.</p>	
<p>Market research results – reliability of data collection, analysis and interpretation of results</p>	<p>Using the data gathered on sampling from the previous activity, ask the class to consider/discuss the following questions:</p> <ul style="list-style-type: none"> how reliable is the data that was obtained? what could have made the data more reliable? what does the data tell us about the school population? (this obviously depends on the question asked) how could a business use this data to develop a marketing strategy? (W) (Basic) <p>Although it is not necessary for learners to put data into charts, as an extension activity, ask learners to present the data in an appropriate way. (I) (Challenging)</p> <p>Again to extend more able learners, ask them to analyse how the method of data collection could be improved. They could also repeat the research using the improved method and analyse the data. (G) (Challenging)</p>	<p>Working with a simple one-question piece of research (as used in the previous activity) will provide enough data as long as the question is quantifiable (i.e. provides a range of numeric data).</p> <p>Market research data on many industries for learners to analyse can be found by doing an internet search or in textbooks (e.g. Farquharson p.275-277).</p> <p>Note: Learners will not be required to draw bar charts, pie charts, etc. in the AS exam, or demonstrate knowledge of the advantages and disadvantages of different presentation methods.</p>	<p>Farquharson p.274-277 and p.279 Stimpson p.9</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	Set a homework assignment such as Question 2bii from Cambridge Past Paper 22 November 2012 to consolidate learning. (H) (F)		
Cost effectiveness – in given situations	<p>If possible, ask a local business person to come in to talk to learners about their experiences with market research, focusing on cost effectiveness. A small business owner/manager would be best, so learners can see that market research is not always expensive or in-depth. (G) (Basic)</p> <p>Then using case study examples of small, medium and larger businesses, ask learners to produce a written report selecting and justifying different the types of market research appropriate to each business type in terms of time and cost effectiveness. (I) (Challenging)</p>	This is an opportunity to bring together all the elements about market research if learners recommend and justify research methods, sampling methods and then justify these in terms of time and cost effectiveness.	Farquharson p.275
Progress check – market research	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.285-7 case study questions • Stimpson p.93 exam-style questions • Question 7 from Cambridge Past Paper 12 November 2012. (I or H) (F) 	<p>Other textbooks with suitable questions on this topic may be available.</p> <p>Past paper/specimen paper questions help learners practise how to answer effectively in the exam.</p>	<p>Farquharson p.285-7 Stimpson p.93</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
The marketing mix			
The elements	The marketing mix is like a recipe with the elements of	One of the misconceptions that learners	Farquharson p.290-292

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>of the marketing mix (the 4Ps) – Product, Price, Promotion, Place</p>	<p>product, price, promotion and place given different importance depending on the marketing objectives – e.g. for a convenience store, location ('place') is the most important. Demonstrate this in a class discussion by showing for given products or services, how changing the elements of the mix leads to different outcomes/ market segments targeted. (W)</p> <p>Follow this with a whole class discussion focussing on one of these products/services, e.g. holidays, mobile phones, radio/TV channels, chairs. (W) (Basic)</p> <p>Then allocate a product or service to learners (or invite them to choose one) and ask them to show how product, price, promotion and place can be manipulated to hit a totally different market segment. They then demonstrate or present their ideas to the class. (I) (Challenging)</p> <p>Finally, split the class into groups. Give each group a product/ service and ask it to pick randomly (e.g. from a hat) one market segment. Each group then comes up with a marketing mix to target the market segment and presents their ideas to the rest of the class. (G) (Challenging)</p>	<p>often have is that promotion is the most important element of the marketing mix (or the only one). This should be addressed by using examples of products and services where promotion is of less or little importance compared to the other 3 'P's. Some examples could include:</p> <ul style="list-style-type: none"> • utility businesses where price is often the most important aspect • convenience stores, where placement is the most important • large businesses such as Amazon, where it may be any number of issues, such as price comparison, speed of distribution, availability etc. <p>KEY CONCEPT 3: CUSTOMER FOCUS The marketing mix is all about customer focus. Learners who merely learn the components and use them without the context of the customer needs will find that their understanding lacks context and therefore has limited use.</p>	<p>Stimpson p.94</p> <p>www.mindtools.com/pages/article/newSTR_94.htm</p> <p>www.cim.co.uk/marketingplanningtool/tech/tech4.asp</p>
<p>The role of the customer – the 4Cs, ways to improve customer relations, relationship to the 4Ps</p>	<p>Start with a class discussion about how a business can focus on the customer, and how this focus could lead to the business developing a different set of objectives. As part of this, discuss how a focus on the customer and developing a customer-orientated approach can improve customer relations. (W)</p> <p>Then ask learners to take a product and describe in writing the 4Cs in relation to that product. On completion,</p>	<p>The 4Cs is a useful concept and often used in place of the 4Ps. For many learners the use of both can be confusing so the more important 4Ps should be the main focus.</p> <p>However, an understanding of the use of focussing on customers rather than the elements of the marketing mix will help more able learners to devise strategies and</p>	<p>Farquharson p.292 Stimpson p.95</p> <p>www.youtube.com/watch?v=kyoixRbJNk8 – video clip on the 4Cs</p> <p>www.dineshbakshi.com/as-a-level-business-studies/marketing-management – choose revision notes</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>they do the same for the 4Ps (see the previous activity) and compare the two in a table. (I)</p> <p>For consolidation, include Question 1c from Cambridge Past Paper 21 November 2012 in a class test or homework on this topic. (I or H) (F)</p>	<p>links well with A2 strategy development.</p> <p>KEY CONCEPT 3: CUSTOMER FOCUS An obvious area to look at customer focus. Although the 4Ps are more widely used, by introducing a model which is more customer focused, learners can analyse the benefits of both models to a business.</p>	<p>on the 4Cs</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>Product – goods and services, tangible and intangible attributes, importance of product development, differentiation and USP</p>	<p>Bring in any product that has a label that can be easily removed to make the product anonymous, and put learners in groups to for a ‘Design a product’ challenge.</p> <p>For this, each group designs a product for a specific target market. The product can be anything but should meet the needs of the target market (this can be based on research if time permits). Learners design the label/box to promote the product characteristics and USP (Unique Selling Point). The best product can be judged. (G) (Basic)</p> <p>Learners write a report of the design and USP of the product to aid the judging process. This should include the tangible and intangible attributes of the product, how the product may be developed in the future and how it is different from what is currently available (I) (Challenging)</p> <p>Set a homework assignment such as Question 7a from Cambridge Past Paper 11 November 2012 to consolidate learning. (H) (F)</p>	<p>A good source of products is cheap cans from the supermarket or boxes of tissues.</p> <p>The focus of this activity needs to be the product design not the promotion through the label – judging should take this into account.</p> <p>KEY CONCEPT 4: INNOVATION An opportunity to innovate in terms of product design. Without innovation in their products most businesses will face declining sales and eventual failure.</p>	<p>Farquharson p.292-298 Stimpson p.95-97</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>Product Life Cycle –</p>	<p>If possible take learners to a shop which carries a range of the same product. Some good examples include:</p>	<p>If a trip cannot be arranged then a website for a local business can provide similar</p>	<p>Farquharson p.292-298 Stimpson p.95-97</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
influence on marketing activities, product portfolio analysis, extension strategies	<ul style="list-style-type: none"> • a convenience store that stocks different types of chocolate bar • a toy store that stocks different types of board games • a furniture store that stocks different types of sofas <p>Afterwards ask learners to produce a brief written report identifying a product from the available range at each stage of the product life cycle. They do not need to be correct, but must have evidence to back up their findings (i.e. 'just launched', 'final savings', 'number one for 20 years' etc.). (I) (Basic)</p> <p>Then ask learners plot these products on a product life cycle diagram and present their reports to the rest of the class. (I)</p> <p>Use these presentations for a wider class discussion in which learners build up a picture of the portfolio of the shop, analyse the range/portfolio of products and assess the benefits and limitations of the identified portfolio. (W) (Basic)</p> <p>Finally, put learners in groups to examine one of the products in the maturity or decline stage and decide on an extension strategy. On completion, each group presents its ideas to the rest of the class (G) (Challenging)</p>	<p>opportunities.</p> <p>KEY CONCEPT 2: MANAGEMENT A product portfolio must be managed, it does not happen without effort. This is an opportunity to show how businesses make choices over their product portfolio, and show how management is not just about people but permeates every area of business activity.</p>	
Types of pricing strategies – use and value of alternative pricing	Examples of all the pricing strategies are found in everyday life. Ask learners to find at least one example of the following strategies and discuss the value of each strategy:	Pricing strategies local to the school/ country are relatively easy to find. The more you can give examples that learners are familiar with, the easier it is for them to understand.	Farquharson p.298-308 Stimpson p.96-98 www.tutor2u.net/business/gcse/marketing_pricing_strategies.htm

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
strategies	<ul style="list-style-type: none"> • competitive • penetration • skimming • discrimination • cost-based. <p>To make this easier, do this as a 'treasure hunt' with clues to each of the examples you would like them to find, or by giving learners definitions of each pricing strategy in a table. (I) (Basic)</p> <p>To add challenge, ask learners to find local examples of each pricing strategy and present their examples to the rest of the class, with prizes for those who find the example closest to the school/college. (I) (Challenging)</p> <p>To consolidate learning, set a homework assignment such as Question 2b from Cambridge Past Paper 22 November 2013. (H) (F)</p>	<p>The most challenging pricing strategies are often skimming and discrimination. For both of these, learners need to understand that different customers will be willing to pay different amounts for exactly the same product service. This can be a tricky concept to grasp. Some good examples of price skimming are technology (new consoles/games, mobile phones etc.) and for price discrimination public transport is a good example to use.</p> <p>KEY CONCEPT 5: CREATING VALUE A price is nearly always higher than the cost of production. Therefore pricing strategies is an excellent point to discuss how a business creates this value in the customer's mind. Why is a train ticket at peak time valued more than one at off-peak time? Why is technology so much more valued at the start of its life than the end?</p>	<p>economictimes.indiatimes.com/definition/pricing-strategies</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Price elasticity of demand – define, calculate and interpret, use in pricing decisions	<p>As a whole class, create some market research about the class and what they would be willing to pay for a basic, everyday item. This can be done by taking a tally of who is willing (and able) to buy the item for each ascending price (i.e. 10p, 20p, 30p). (W)</p> <p>Using this data, ask learners to produce calculations on the elasticity at each price of a move to another price. (I) (Basic)</p> <p>Then ask learners to use this data to make decisions</p>	<p>Using class data to illustrate elasticity is a good way to bring the topic to life.</p> <p>Elasticity is often taught as an abstract topic with little relationship to the rest of the syllabus. By integrating it with topics such as price strategies and marketing objectives, learners are more likely to remember the calculations and find the topic useful.</p>	<p>Farquharson p.298-308 Stimpson p.96-98</p> <p>www.tutor2u.net/economics/revision-notes/as-markets-price-elasticity-of-demand.html (topic notes)</p> <p>www.tutor2u.net/blog/index.php/business-studies/comments/celebair-price-elasticity-of-demand-exercise (activity)</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>about the whole school/college. If they sell the item in school/college, what would be the optimal price? Remind them use the previous activity on developing pricing strategies to meet marketing objectives to inform this work. On completion, learners produce a brief report explaining their findings. (I) (Challenging)</p> <p>After this, put learners into pairs and ask them to change the data to make the calculations more difficult. As part of this they should try to create one price and quality change that will be too complicated for their partner to work out. (P) (Challenging)</p>		
Promotion methods – above and below the line, branding	<p>Put learners in groups, and give each group an example of an above or below the line promotion method (include branding in below the line). The group then designs a presentation to inform the class about their given method. They also find examples of their method to illustrate its use. (G)</p> <p>Set a homework assignment such as Question 7a from Cambridge Past Paper 11 November 2013 to consolidate learning. (H) (F)</p>	<p>Being able to see real examples of promotional methods and analyse their effectiveness is a very useful learning strategy. Many examples of promotion can be found by using internet search engines.</p> <p>Differentiation can be built in by giving the more challenging methods to the more able groups. These include:</p> <ul style="list-style-type: none"> • merchandising • direct sales • public relations • trade fairs. <p>KEY CONCEPT 4: INNOVATION Innovation and creativity in promotional methods and designs can have as big an impact or more than product or service innovation.</p>	<p>Farquharson p.313-327 Stimpson p.101-103</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Promotion methods – the role of packaging in promotion	<p>Ask each member of the class to bring in a piece of packaging to school/college. In pairs, learners analyse the effectiveness of their packaging and then compare and contrast it with their partner’s packaging. The questions to consider are:</p> <ul style="list-style-type: none"> • what colours are used and why are they appropriate? • what fonts are used and why are they appropriate? • how is the packaging designed to be displayed? (P) (Basic) <p>To add challenge to the activity further questions include:</p> <ul style="list-style-type: none"> • how is the packaging designed to be delivered/distributed? • how cost effective is the packaging? • how could the packaging be improved? (P) (Challenging) 	<p>It is worth having some examples in case learners forget to bring in an example or do not have a good enough range. Interesting examples include:</p> <ul style="list-style-type: none"> • crisp packets • medicine packets/bottles • DVD cases • cleaning products. <p>There are opportunities here to make associations with logistics for the more able learners.</p>	Farquharson p.313-327 Stimpson p.101-103
Channels of distribution – choosing between alternative types	<p>Suggest a variety of products and services and ask learners to come up with new ways in which they could be distributed. Some examples you can base this on include:</p> <ul style="list-style-type: none"> • a high-street hairdresser • a local restaurant • flat-pack furniture • DVDs. <p>On completion, learners present their ideas to the class. (I)</p>	<p>There is often confusion with learners over distribution and location. By starting with products and services that already have an established location (i.e. high street) it is easier to make the point that distribution is a channel not just about the location.</p>	Farquharson p.328-332 Stimpson p.104

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	Set a homework assignment such as Farquharson Activity 17.9 to consolidate learning. (H) (F)		
Using the internet for the 4Ps/4Cs – advertising, catalogues, sales, dynamic pricing, distribution, social media, viral marketing, e-commerce	<p>Lead a class discussion about obvious products/services which are currently marketed using the internet. There is also a useful crossover here with business/personal ethics in terms of the illegal downloading of products. The focus of the discussion could therefore include asking learners to think about how businesses should respond to such illegal activity. (W) (Challenging)</p> <p>Then put learners in groups and give them a product which is not normally marketed using the internet. Each group devises a new marketing mix where the internet is involved in the promotion and distribution of the product. Examples they could look at include:</p> <ul style="list-style-type: none"> • taxis (distribution in terms of booking) • education (distance learning) • art. <p>On completion, each group presents its ideas to the class. (G)</p> <p>The internet channels they consider should include advertising, catalogues, sales, dynamic pricing, distribution, social media, viral marketing and e-commerce (G) (Challenging)</p>	<p>Examples should reflect what is legally available in the learners' location.</p> <p>KEY CONCEPT 4: INNOVATION The internet has provided many opportunities for innovation and is likely to provide many more. There is an opportunity to encourage learners to think about the 'next big thing' in terms of new technology driving business forward.</p>	Farquharson p.328-332 Stimpson p.104
Consistency in the marketing mix –with the business, the product type	Using the original products that learners devised a marketing mix for at the start of this topic, put the class into groups and ask them to analyse and evaluate another group's marketing mix, with the knowledge they now have about marketing. On completion, groups	If the original activity on marketing mix was not completed, this is an opportunity to devise a marketing mix (see section at the start of this topic).	Farquharson p.333 Stimpson p.104

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
and the market	<p>present their findings to the rest of the class. (G)</p> <p>Then ask learners to produce a written analysis of how consistent the given marketing mix is for the business, product type and market they looked at themselves and evaluate the likely success of this marketing mix based on their analysis. (I) (Challenging)</p>	<p>KEY CONCEPT 2: MANAGEMENT Bringing together all the elements to have a consistent approach is the job of management.</p>	
Progress check – the marketing mix	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.309 topic questions, p.327 and p.336-8 case study questions • Stimpson p.105-6 multiple choice and exam-style questions • Question 2d from Cambridge Past Paper 22 November 2012 • Question 2d from Cambridge Past Paper 23 November 2012 • Question 7 from Cambridge Past Paper 11 November 2012. (I or H) (F) 	–	<p>Farquharson p.309, p.327 and p.336-8 Stimpson p.105-6</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Operations and project management (AS Level)

Recommended prior knowledge

Although no prior knowledge of operations management is required for this unit, it will help learners to have covered the AS Business Structure and HRM topics first.

Context

Successful operations management is the key in all businesses to lower costs, higher quality and adding value to a product or service to fulfil the needs of customers – all key criteria for maximising profit. Very few, if any businesses can afford to allow costs to spiral out of control and in this unit learners start to understand the 'nuts and bolts' of an organisation and how these are kept running efficiently, effectively and, most importantly, profitably.

Outline

Operations management at AS level covers the basic forms of managing the processes in a business. How decisions are made about production methods, techniques and process to achieve the businesses objectives. The management of inventories (stock) is also covered.

Teaching time

It is recommended that this section should take approximately 20% of the AS course (10% of the whole AS and A Level programme).

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
The nature of operations			
Inputs, outputs and the transformation process – products and services, process from idea/need to final product/service	<p>Put learners into groups. Half the groups think of a product, design it and make a prototype out of whatever materials are available. The other half of the groups think of a service that could be offered to the school/college community, design the process involved and think about the location or method of delivery. (G)</p> <p>Each group has a set amount of time to finish the process and report back to the whole class on their idea. (W)</p> <p>Set a homework assignment such as Farquharson Activity 20.2 and/or Stimpson Progress Checks A/B to consolidate learning. (H) (F)</p>	Learners tend to find operations management more difficult when it comes to the operations of a service. A useful method of differentiation is to give more able learners the services to produce.	Farquharson p.381-383 and p.386 Stimpson p.118-119

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>Inputs, outputs and the transformation process – resources: land, labour, capital</p>	<p>For a range of products and services, ask learners to discuss the:</p> <ul style="list-style-type: none"> land required, not just in terms of space but all natural resources labour required, including skilled and non-skilled labour capital required, not just money, but equipment, machinery, etc. (I) (Basic) <p>To challenge more able learners, include businesses whose main assets are intellectual capital and enterprise skills, such as:</p> <ul style="list-style-type: none"> universities publishers music producers. (W) (Challenging) 	<p>Many textbooks will refer to enterprise (or entrepreneurship) as a factor of production. This is included within the idea of intellectual capital, which includes all the intangible knowledge and skills which a business has access or rights over. This, of course, includes the enterprise skills of the owner and employees.</p>	<p>Farquharson p.381-383 and p.386 Stimpson p.118-119</p>
<p>Value added – how it is linked to marketing, the operations process and operations decisions</p>	<p>Adding value can take many forms, and learners need to appreciate that it is not just an operational process such as manufacturing. To achieve this, put learners into groups and give each group a sheet of plain paper. The aim of the task is to find ways to add value to the piece of paper.</p> <p>Half of the groups find operational ways of adding value to the piece of paper, e.g.:</p> <ul style="list-style-type: none"> transforming it into a more useful shape writing/drawing on it folding it. <p>The other half of the groups find marketing ways to add value to the piece of paper, e.g.:</p> <ul style="list-style-type: none"> branding it 	<p>Adding value through operations is fairly easy for learners to understand, but they often find it more difficult to grasp the concept of adding value through marketing. However most products and services have significant added value through both operations and marketing.</p> <p>A good form of differentiation would be to give the more able learners the marketing ways which are more conceptual and less tangible.</p> <p>KEY CONCEPT 5: CREATING VALUE The transformational process is one of creating and adding value.</p> <p>KEY CONCEPT 4: INNOVATION</p>	<p>Farquharson p.381-383 and p.386 Stimpson p.118-119</p> <p>www.tutor2u.net/blog/index.php/business-studies/comments/adding-value</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> • promoting it • adding features to it. <p>Each group then tries to 'sell' their piece of paper to the rest of the group. Which group has added the most value in the class's opinion? (G) (Basic)</p> <p>Follow this with a whole class discussion looking at all the ideas produced and trying to combine the best to add the maximum possible value to a piece of paper. (W) (Basic)</p> <p>Then ask learners to research examples of how businesses add value to paper. This could be made into a homework competition where learners have to find a business that has added the most value to paper. Some examples to get learners started are:</p> <ul style="list-style-type: none"> • posters/artwork • a ticket for a concert • a contract. (I) (Challenging) <p>On completion, learners present their findings to the class. (W)</p>	<p>Most businesses need a USP, to add value. This can be done in many ways and innovation is a common element.</p>	
<p>Capital versus labour intensity – benefits and limitations of each</p>	<p>Pick a product that can be produced using labour or capital, e.g. an item of food which can be handmade or produced on a production line. Ask learners to come up with all the advantages and disadvantages to the business of producing it in this way. (I)</p> <p>Then divide the class into two groups – those who looked at labour intensive products and those who looked at capital intensive. Each group presents their findings to the other. (G)</p> <p>To consolidate learning, include Question 6 from Cambridge Past Paper 12 November 2012 in a class test or homework. (I or</p>	<p>For this activity, it would be useful if half the learners looked at labour intensive products and the other half looked at capital intensive products.</p>	<p>Farquharson p.386-387</p> <p>www.bized.co.uk/virtual/cb/factory/production/theories3.htm</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	H) (F)		
Effectiveness, efficiency and productivity – the difference between effectiveness and efficiency, productivity as a measure of efficiency	<p>Lead a class discussion on the differences between effectiveness and efficiency. What is the difference between describing a process as effective (link to quality) and efficient (link to productivity and costs)? (W)</p> <p>Then ask learners to draw up a table outlining the advantages and disadvantages of using productivity as a measure of efficiency. (I) (Challenging)</p> <p>For consolidation, include Question 3 from Cambridge Specimen Paper 1 in a class test or homework on this topic. (I or H) (F)</p>	KEY CONCEPT 2: MANAGEMENT Measuring and improving effectiveness and efficiency is a key element of management. A co-ordinated and consistent approach to this is required and the good manager can get the best out of the people and operations.	<p>Farquharson p.386 Stimpson p.119</p> <p>Cambridge 2016 specimen papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Progress check – the nature of operations	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.388 case study questions • Stimpson p.120-2 multiple choice and exam-style questions • Question 3 from Cambridge Past Paper 13 May/June 2013 • Question 4 from Cambridge Past Paper 12 May/June 2013. (I or H) (F) 	–	<p>Farquharson p.388 Stimpson p.120-2</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Operations planning			
Operations decisions – the influence of	<p>Introduce a suitable product and ask learners to research the marketing, resources and technology needed to produce it. Learners present their findings in a written report covering:</p>	Choose products for this task where CAD and CAM have been an obvious influence – this is an important area for	<p>Farquharson p.390-392 Stimpson p.123</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
marketing, the availability of resources and technology	<ul style="list-style-type: none"> introduction to the business and product resources (raw materials) required in production technology required in the production (particular focus on CAD and CAM) marketing required for the product. (I) (Basic) <p>Follow this with a whole class discussion about how marketing, availability of resources and technology influence operational decisions. (W)</p> <p>Then arrange for learners to use basic CAD and CAM software so they can see in practice what they are learning about. If you do not have suitable software already, use the links provided opposite to download free CAD software from the internet. For CAM, you will also need access to a 3D printer or similar CAM equipment. (W)</p> <p>If time and resources permit, ask learners to design a product or a production line for a product using CAD or CAM. (W)</p> <p>For consolidation, include Questions 5a and 5b from Cambridge Past Paper 13 November 2012 in a class test or homework. (I or H) (F)</p>	<p>them to know about for the exam. Some good examples include:</p> <ul style="list-style-type: none"> cars aeroplanes computers buildings. <p>Note: while using CAD/CAM software is not required in the exam, learners are expected to know what is meant by the terms Computer Aided Design and Computer Aided Manufacture. They must also understand how CAD/CAM can be applied in a business, including the advantages and disadvantages.</p> <p>KEY CONCEPT 1: CHANGE Raw materials are not always in constant supply. This may be through environmental change, political unrest or many other changes that can occur around a business. This is an opportunity to discuss some of these changes and their impact on business decision making.</p>	<p>Some free CAD software can be found at the following sites (you will be required to sign up to a free account):</p> <p>www.autocad360.com</p> <p>www.freecadweb.org</p> <p>www.autodesk.com/education/free-software/autocad</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Flexibility and innovation – volume, delivery time and specification	<p>Put learners into groups of three to role-play a scenario between a producer, their customers and suppliers. The focus is to decide the levels of volume for a new order, the delivery time for the order and the specification of the product (basic or with added features). Each learner takes the role of one of the following stakeholders:</p> <ul style="list-style-type: none"> supplier (of raw materials) – wants the business so they can 	<p>Any business could be used for the role-play, but a locally-produced product may be more useful. For the product, choose any product that can have an adapted specification, such as a car.</p> <p>To make the task easier, the producer should be a retailer who buys in a</p>	<p>Farquharson p.391-392</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>make a profit, but has other customers and would like to negotiate as long as possible for delivery of the raw materials. They would also like to deliver the materials only once a week.</p> <ul style="list-style-type: none"> customer – wants the products as soon as possible for the lowest price. They would like to be able to change or amend their order as late as possible. producer – wants to keep their supplier because they are reliable but also wants to keep the customer happy. The producer’s job is to negotiate the customer’s price to pay and delivery date, the supplier’s price for raw materials and delivery date. (G) (Challenging) <p>On completion, discuss the role-plays and the different perspectives of the stakeholders as a whole class. (W) (Basic)</p>	<p>product but does not manufacture it in any way (e.g. a car retailer).</p> <p>KEY CONCEPT 4: INNOVATION An obvious link to innovation and its relationship with flexibility. From Henry Ford’s first mass-produced car (in any colour as long as it’s black) through to the almost infinite flexibility in customising products to be unique and individual in today’s world.</p>	
Flexibility and innovation – process innovation in producing products or delivering services	<p>Take a well-known product that has been produced and sold for a number of years, e.g. a chocolate bar. Ask learners to investigate:</p> <ul style="list-style-type: none"> how the product has been produced throughout history why substantial changes in the production process have taken place over time what the impetus for this change was (i.e. lower costs, higher quality etc.). <p>Each learner produces a brief written report on their findings. (I)</p> <p>Then as a class, discuss how the process may be different if the business delivers a service rather than produces a product. (W)</p> <p>To consolidate, ask learners to write an essay on the following question: ‘To what extent is process innovation essential in the production of...’, choosing one of the following examples:</p>	<p>KEY CONCEPT 4: INNOVATION Innovation not just in products but also in the management of operations.</p>	Farquharson p.391-392

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> • mobile phones • cars • haircuts • agricultural goods • food in a restaurant (I) 		
<p>Operations methods: job, batch, flow, mass customisation – differences, advantages and disadvantages of each method</p>	<p>Put learners into groups. Each group must produce cards for a suitable forthcoming occasion. Each group makes:</p> <ul style="list-style-type: none"> • the first set of cards using <i>job production</i> – this requires each learner to produce unique cards. • the second set using <i>batch production</i> – in this case the cards are first designed, then cut, then folded (or whatever is appropriate). It is important that the learners only move forward when all the cards have passed through the process in hand (i.e. all must be cut, before any may be folded). • the third set using <i>flow production</i> – each learner is allocated a specific task, and as the cards go through the each stage of the production process they are passed from learner to learner. (G) (Basic) <p>Follow this with a class discussion about the advantages and disadvantages of each method. Which methods produced the most cards? Which methods produced the best cards? Why? (W)</p> <p>Then put learners in pairs to consider ways in which the flow production method could be turned into mass customisation, and to look at the advantages and disadvantages of this method. (P) (Challenging)</p> <p>On completion, each pair feeds back its ideas to the class. (W)</p>	<p>This is a good activity that can be done with any process where the product can be split into a number of processes depending on the size of the groups. The card activity works best with 3–4 learners. Set a time limit for production to add some pressure to the activity.</p>	<p>Farquharson p.392-399 Stimpson p.123-125</p> <p>businesscasestudies.co.uk/business-theory – choose ‘Operations’, ‘Production processes’ and then ‘Methods of production’</p> <p>www.youtube.com/watch?v=x-sQs56RV9A</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	To consolidate learning, set a homework task such as Question 1d from Cambridge Past Paper 22 November 2013. (H) (F)		
Operations methods: job, batch, flow, mass customisation – the problems of changing methods	<p>Take an example of a product or service which is normally produced using one method, such as:</p> <ul style="list-style-type: none"> • artwork – job production • baker – batch production • car – flow production • tailored suits – mass customisation. <p>Put learners into groups and give each group one of the products/ services. The groups produce a mind-map of all the problems they can think of when trying to move from the normal method of production to the other three. (G) (Challenging)</p> <p>To make the activity easier, give learners a set of criteria to think about when changing from one method to another, such as:</p> <ul style="list-style-type: none"> • capital cost • revenue cost • quality • price to customers • customer expectations. (G) (Basic) <p>Follow this by giving learners a suitable industry where the same (or similar products) are produced using all four production methods. Ask them to find examples of businesses that use all four methods, look at how the products differ between each and discuss their findings with the whole group. (W) (Challenging)</p>	<p>Most learners will be able to analyse cost and revenue issues when moving between production methods (although they may not be able to use the terms revenue and costs yet), but often find quality more difficult. Learners who can link this to branding and business image are likely to perform well in this area.</p> <p>A good example to suggest for the final task in this activity is the prepared food industry. High-quality restaurants normally make to order (job production), canteens and fast food restaurants tend to use batch production and ready meals from shops are produced using mass production.</p> <p>KEY CONCEPT 1: CHANGE Change may be for internal reasons but it may also be in response to competitors or new technology. This is an opportunity to discuss not only the problems of changing but the reasons behind it.</p>	<p>Farquharson p.392-399 Stimpson p.123-125</p> <p>businesscasestudies.co.uk/business-theory – choose ‘Operations’, ‘Production processes’ and then ‘Methods of production’</p> <p>www.youtube.com/watch?v=x-sQs56RV9A</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>Scale of operation – influencing factors, internal and external economies/diseconomies of scale, and the link with unit costs</p>	<p>Ask learners to analyse and evaluate in a written report the benefits and problems of having a larger team using examples such as:</p> <ul style="list-style-type: none"> • sport – swimming vs synchronised swimming • computer gaming – one player vs multi-player • cooking – one chef vs a team of chefs. (I) (Basic) <p>Follow this with a class discussion about a business that may have grown beyond its economical size. The NHS in Britain is one example of a business which suffers many diseconomies of scale. (W) (Challenging)</p> <p>Then specify a large business that it known to the class and ask learners to produce a table identifying the internal and external economies of scale and the internal and external diseconomies of scale that business may encounter. (I) (Challenging)</p> <p>Set a homework assignment such as Question 1 from Cambridge Past Paper 12 May/June 2012 to consolidate learning. (H) (F)</p>	<p>Any businesses can be used to illustrate economies of scale. Use whatever businesses are local to the school/college.</p> <p>A common mistake learners make is to only remember 'bulk buying' as an economy of scale. The actual economy of scale is a purchasing one and learners must have a larger repertoire when it comes to the examinations.</p> <p>KEY CONCEPT 2: MANAGEMENT Managerial economies of scale are vitally important for businesses. Being able to attract and afford the best managers may give the business an edge over competition.</p>	<p>Farquharson p.407-412 Stimpson p.126-127</p> <p>www.slideshare.net/infinityrulz/economies-and-diseconomies-of-scale</p> <p>www.youtube.com/watch?v=sbl7KD9FU3Q</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>Location – determining factors, differences between location decisions</p>	<p>Using a map of the country in which you reside (and/or a larger scale if more appropriate) ask learners to identify an appropriate location for a number of industries e.g.:</p> <ul style="list-style-type: none"> • power station • convenience store • car factory • restaurant • coal mine • harbour. 	<p>Learners can find the idea that a poorly-located business may still have success a difficult concept to grasp. Poor location may be a result of many factors, such as changes to the external environment (i.e. a shift from the high street) or a historical connection to a location.</p>	<p>Farquharson p.398-407 Stimpson p.125-126</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Use whatever examples are relevant to your community. There is unlikely to be a single correct answer, but there are likely to be incorrect ones (such as a harbour in the middle of a desert). (I)</p> <p>Give individual learners one of the examples used above and ask them to explain in a brief report each of the following influences on that business relocating and justify which they consider the most important of these factors:</p> <ul style="list-style-type: none"> • geographic • demographic • legal • political • resources • infrastructure • marketing (I) (Challenging) <p>More able learners can research a business that they believe is poorly located. Can they explain the factors that make the business location poor. Can they explain why the business chose to locate in that place? (I) (Challenging)</p> <p>To consolidate learning, include Question 2d from Cambridge Past Paper 21 November 12 in a class test or homework. (I or H) (F)</p>		
Progress check – operations planning	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.414-8 revision and case study questions • Stimpson p.129 exam-style questions 	–	<p>Farquharson p.414-8 Stimpson p.129</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> Question 2 from Cambridge Past Paper 31 November 2012. (I or H) (F) 		

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Inventory management			
Purpose, costs and benefits of inventory – its purpose within a business, the costs and benefits	<p>If possible, arrange a visit to a manufacturing business to provide a context for learning and allow learners to see examples of raw materials, work in progress and finished products. If a visit is not possible then use a suitable case study example. Follow this with a class discussion on what has been seen/identified. (W)</p> <p>Then ask learners to identify the types of inventory involved in the business visit/case study example and analyse the costs and benefits of holding each in a brief report. (I) (Basic)</p> <p>To add challenge, ask learners to analyse a variety of businesses in terms of the need for inventory. These businesses should include ones where it would be an advantage to reduce inventory, but also at least one example of a business where it is essential to hold large quantities of stock, for example a wholesaler. Learners produce a brief report on their findings. (I) (Challenging)</p> <p>To consolidate learning, set a homework assignment such as Stimpson Progress Check A. (H) (F)</p>	<p>Many textbooks will use the term 'stock' instead of inventory. However inventory is the required term and complies with the accounting terms used on a statement of financial position (balance sheet).</p> <p>Many learners find it straightforward to understand why businesses need inventory and to analyse the disadvantages of holding inventory. However many businesses need to hold large amounts of inventory to operate. Understanding of the specific needs of the business given in a case study context is vital.</p>	Farquharson p.419-421 Stimpson p.131
Managing	Put learners in pairs and give them an inventory control chart	More able learners will be able to	Farquharson p.421-427

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>inventory – buffer inventory, reorder level and lead time, simple inventory control charts, control methods</p>	<p>from a real business to interpret. First ask them to label the:</p> <ul style="list-style-type: none"> • maximum inventory • minimum inventory • buffer inventory • reorder level • lead time. (P) <p>Then explain the context within which this business operates and introduce a problem which the business needs to overcome, such as the need to reduce lead time. Ask the class to discuss ways in which the business can overcome its inventory problems. (W)</p> <p>Assuming learners have not already identified JIT as a possible method of overcoming inventory problems, discuss as a class how JIT may be used in the above example. Discuss contexts in which JIT may be inappropriate. (W) (Challenging)</p> <p>To consolidate learning, set a homework assignment such as Question 5 from Cambridge Past Paper 13 November 2013. (H) (F)</p>	<p>interpret the chart without very much guidance. Try pairing up more and less able learners to let them explain to each other.</p> <p>Note: While learners should appreciate the need for inventory control and the general methods which may be employed, the mathematics of the methods will not be examined.</p>	<p>Stimpson p.132-133</p> <p>www.tutor2u.net/business/production/stock-control-introduction.htm</p> <p>businesscasestudies.co.uk/business-theory – choose ‘Operations’, ‘Supply chain’ and then ‘Stock control’</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>Progress check – inventory management</p>	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.427-9 revision and case study questions • Stimpson p.134-5 multiple choice and exam-style questions • Question 6 from Cambridge Past Paper 11 November 2012 • Question 5 from Cambridge Specimen Paper 01. (I or H) (F) 	<p>–</p>	<p>Farquharson p.427-9 Stimpson p.134-5</p> <p>Cambridge 2016 specimen papers, past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Finance and accounting (AS Level)

Recommended prior knowledge

Although no prior knowledge of finance and accounting is required, prior study of other business functions will allow for a better understanding of the topics covered here.

Context

Finance is the lifeblood of an organisation – without the flow of money businesses cannot operate. Moreover, many businesses that can operate profitably and manage the resources around them, fail to do so because they do not have a sound grasp of finance and accounting. In this unit, learners will develop their understanding of the need for finance in a business, where it comes from, how it flows around a business and how to account for it. They will also learn the importance of accounting and finance to a business, how to interpret the main documentation which describes the finances of a business and how to evaluate businesses from this information.

Outline

This unit is concerned with the need for and source of finance, how to describe the revenues and costs in a business and how to account for them using internationally accepted terminology. The unit is not about becoming an accountant, but rather about using accounts to make better business decisions.

Teaching time

It is recommended that this section should take approximately 20% of the AS course (10% of the whole AS and A Level programme).

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
The need for business finance			
Start-up capital, capital for expansion – why businesses need finance, different needs and sources of finance	<p>Put learners into groups and allocate each group suitable businesses to look at from one of the following business types:</p> <ul style="list-style-type: none"> • a start-up business • an established business • a business with unlimited liability • a company. <p>Each group then researches what the capital needs are of that business type and whether there are any sources of</p>	<p>Throughout this topic, cover the full range of business types and use examples that learners are familiar with.</p> <p>One of the most misunderstood areas in relation to capital is the distinction between owner's capital (in an unincorporated business) and shareholder capital (only in incorporated businesses). It is vital that learners do not suggest an invalid source of capital for the business</p>	<p>Farquharson p.475-6 Stimpson p.152</p> <p>www.tutor2u.net/business/finance/finance_sources_smes.htm</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>finance their business type is unable to access. (G)</p> <p>On completion each group reports its findings to the whole class. Consolidate understanding of the key capital and financing points for each business type. (W)</p>	<p>you give them in this activity.</p> <p>KEY CONCEPT 6: STRATEGY Finance is often the first barrier to business success, and entrepreneurs must be able to show a strategy for returning any borrowed capital. If learners suggest a bank loan is a good source of finance, there must be a clear strategy for its repayment.</p> <p>KEY CONCEPT 5: CREATING VALUE The point of most businesses is to create value beyond the capital of the business.</p>	
Working capital – meaning and significance as a source of finance	Using the case study examples worked on in the previous activity, ask learners to produce a written explanation about how working capital may flow around each of the businesses. In this, they should also explain how each business generates its working capital and what the most obvious areas of expenditure are. (I)	<p>Working capital is the main source of finance for running a business. It can be explained as a flow of cash around a business, and stoppages at any point can lead to cash flow problems.</p> <p>An understanding of the importance of working capital for every business type is important. Also introduce the concept of cash flow here.</p>	Farquharson p.476-477 Stimpson p.152-153
Working capital – distinction between revenue expenditure and capital expenditure	Building on the business case study examples used for the previous two activities, ask learners to describe in writing the capital and revenue expenditure required by each business type. To enable them to do this, give out a list of things that require expenditure for each business, some requiring capital expenditure and some revenue expenditure, and ask learners to identify which is which. (I) (Basic)	The distinction between revenue and capital expenditure is important so that learners can use and respond to the terms appropriately in examinations.	Farquharson p.476-477 Stimpson p.152-153 Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Put more able learners into groups with new business case study examples and ask them to identify in a table a number of different costs that the business may encounter. Can they explain the need for both capital and revenue expenditure? (G) (Challenging)</p> <p>For consolidation, include Question 3 from Cambridge Past Paper 11 November 12 in a class test or homework. (I or H) (F)</p>		
Progress check – the need for business finance	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.477, Activity 26.1 and p. 478 Activity 26.2 • Stimpson p.153, Progress check A • Question 4 from Cambridge Past Paper 11 May/June 2012. (I or H) (F) 	–	<p>Farquharson p.477-478 Stimpson p.153</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Sources of finance			
Legal structure and sources of finance – the relationship between them	<p>Lead a class discussion about the different legal structures of businesses, focusing in particular on sole traders, partnerships, private limited companies and public limited companies. Then for each different structure, ask learners to identify and discuss which sources of finance are available and which are not. (W) (Basic)</p>	<p>The most basic misunderstanding here surrounds the ability of companies to sell shares. Learners often think that all businesses are companies and/or all businesses can access share capital as a source of finance. This needs to be taught well to avoid answers to examination</p>	Farquharson p.478

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Follow this by issuing learners with case study examples or data-response questions that give different contexts for businesses with different legal structures. Ask learners to analyse in a table the appropriateness of the different sources of finance that may be available and come to a conclusion about the most appropriate one(s). (I)</p> <p>(Challenging)</p>	<p>questions which show a lack of context.</p>	
<p>Short term finance and long term finance</p> <p>Internal sources</p> <p>External sources</p>	<p>Put learners in pairs and give them a list of sources of finance (internal and external) and some suitable business contexts. Based on these they answer the following questions:</p> <ul style="list-style-type: none"> • is each source of finance internal or external? • is each source of finance short term or long term? • which source of finance best meets the needs of each context? (There may be more than one answer to this, so the emphasis should be on explaining which is most appropriate.) (P) <p>On completion, each pair reports back their findings to the rest of the class. Where pairs disagree, discussion can take place with a vote to decide the outcome. (W)</p> <p>To consolidate learning, set a homework assignment such as Question 2d from Cambridge Past Paper 23 November 2013. (H) (F)</p>	<p>Internal sources of finance include retained earnings, sale of unwanted assets, sale and leaseback of non-current assets, working capital. External sources include share capital, new partners, venture capital, overdrafts, leasing, hire purchase, bank loans, mortgages, debentures, micro-finance, crowd funding, government grants.</p> <p>Tailor the complexity of the business contexts you use for this activity to the level each pair can manage. The more complicated and ambiguous ones can be picked up in the class discussion.</p> <p>KEY CONCEPT 1: CHANGE</p> <p>As businesses and their environment changes, so do the relevant and acceptable sources of finance. Understanding how change can affect business decision making about appropriate sources of finance is a good advanced-level skill to develop.</p>	<p>Farquharson p.478-489 Stimpson p.153-158</p> <p>businesscasestudies.co.uk/business-theory – choose ‘Finance’, ‘Sources of finance’ and ‘Sources of finance’ again</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>Factors influencing</p>	<p>Put learners in groups and allocate each group one source of finance and a suitable business context. Using a large sheet</p>	<p>This topic must be done in context and learners must be able to apply the</p>	<p>Farquharson p.478-489 Stimpson p.153-158</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>the sources of finance</p> <p>Selecting the source of finance</p>	<p>of paper, each group then mind-maps the most important factors affecting that business's choices for sources of finance. (G) (Basic)</p> <p>On completion, each group presents its findings to the class. (W)</p> <p>Then ask learners to research a given business which has a need for finance – the business could be in any sector and any size as long as learners have access to the relevant data. Learners produce a project report that:</p> <ul style="list-style-type: none"> • outlines the business's need for finance • explains the factors influencing the sources of finance • analyses the relevant importance of each factor • makes a judgement about the most appropriate source of finance (I) (Challenging) 	<p>knowledge to the specific context of a business. It is quite possible to have two very similar businesses with similar needs for finance to have very different factors. Adaptability is the key to good understanding here.</p> <p>Note: at AS Level, learners will not be expected to know the term 'gearing'.</p>	<p>businesscasestudies.co.uk/business-theory – choose 'Finance', 'Sources of finance' and 'Sources of finance' again</p>
<p>Progress check – sources of finance</p>	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.489-91 revision and case study questions • Stimpson p.157-8 multiple choice and exam-style questions • Question 2d from Cambridge Specimen Paper 02. (I or H) (F) 	<p>–</p>	<p>Farquharson p.489-91 Stimpson p.157-8</p> <p>Cambridge 2016 specimen papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Costs			

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>Cost information – the need for accurate data, the different types of costs, the problems in allocating costs in given situations</p>	<p>Hand out a list of costs common to a business (include at least one variable indirect cost and one fixed direct cost). Learners identify in writing whether the cost is fixed or variable and explain why. (I)</p> <p>With the same list, the class now discusses whether the costs are direct or indirect to ensure they understand clearly what these categories mean. (W)</p> <p>Then put learners in groups and give them a business context involving the provision of more than one product or service (e.g. a hairdressing salon) together with data on some or all of the costs covered in the previous task for that business. Each group allocates the costs provided to individual product or service lines (e.g. for a hairdressing salon, to individual hairdressers), discusses their ideas and comes to a 'best fit' judgement for the group about how to allocate the costs. (G) (Basic)</p> <p>More able learners could also explore the different methods of allocating costs, such as absorption costing and marginal costing. (G) (Challenging)</p> <p>On completion, lead a class discussion on how different businesses and industries may choose to allocate costs in different ways and the problems associated with allocation, e.g.:</p> <ul style="list-style-type: none"> • travel industry– how can the fixed cost of a bus/airplane be allocated to individual passenger prices? • Coca-Cola – how can indirect costs be allocated across the range of drinks produced by the brand? • Apple – if costs for product development are allocated to each product, how might this affect the perceived profitability of a new iPad? (W) (Challenging) 	<p>Costs are categorised by their behaviour and by the way in which a business chooses to use them. There is a great deal of overlap between direct and variable and indirect and fixed. However the important understanding is that direct and indirect are usually used by the operations function whereas fixed and variable are usually used by the accounting and finance functions.</p>	<p>Farquharson p.507-511 Stimpson p.166-7</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Follow this with a discussion on the importance of accurate data when calculating costs and the factors which could affect this, e.g.:</p> <ul style="list-style-type: none"> • growth/decline of the business • seasonality • changing external influences (economy, fashions/tastes, demographics etc.) (W) (Challenging) <p>Set a homework assignment such as Question 7a from Cambridge Past Paper 13 November 2013 to consolidate learning. (H) (F)</p>		
<p>Uses of cost information – cost information for decision making</p>	<p>Give learners a set of costs for the development and sales of a new product. Based on predicted sales figures, learners calculate:</p> <ul style="list-style-type: none"> • unit variable cost • unit allocation of fixed costs • unit total cost • marginal cost (assuming no increase in fixed costs this will be the variable cost per unit) • average cost. (I) (Basic) <p>As a class, discuss how the costing calculations can be used to make decisions about pricing and production levels. And using the product for which they calculated costs, encourage learners to suggest a realistic selling price. (W) (Challenging)</p>	<p>Many learners struggle with these calculations, however they are an essential part of business. Give learners the time and guidance they need here – the second activity can be used to extend those who finish quicker. These learners can then feed back their findings to the rest of the class.</p> <p>KEY CONCEPT 2: MANAGEMENT The role of a manager is to make decisions and implement them. Having the numerical data and understanding the information is vital to make good management decisions. This is especially important when it comes to costs, since allowing costs to spiral out of control is one of the main reasons for business failure.</p>	<p>Farquharson p.507-511 Stimpson p.166-7</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>Uses of cost information – pricing decisions, monitoring and improving business performance/profits</p>	<p>Divide the class into groups with four learners in each group to role-play starting a sweet shop within the school/college. The aim of the role-play is to come to inventory decisions (quantity) and pricing. Each learner takes one of the following four roles:</p> <ul style="list-style-type: none"> • managing director • finance director • operations director • marketing director. <p>Give each group a realistic budget, a stock list containing a range of locally available sweets and a wholesale price list. Learners then calculate the average, marginal and total costs for each product. Each group comes up with a pricing strategy based on this cost information and presents its findings to the class. As the teacher, you judge which group has made the best model. (G) (Basic)</p> <p>If time and resources allow, arrange for learners to run their school/college shop, with each group taking one lunchtime shift during the week. As part of this they should apply the learning from the previous role play to the real decisions made and write draft suggestions for how the inventory and pricing strategy could be developed to improve performance and profits (G) (Challenging)</p>	<p>By using group work, some learners may choose not to engage with the costing calculations. This activity may require careful monitoring by the teacher to make sure that each learner is capable of performing all the relevant calculations.</p>	<p>Farquharson p.507-511 Stimpson p.166-7</p>
<p>Break-even analysis – minimum break-even/profit production level, margin</p>	<p>Introduce the concept of break-even with a demonstration using coloured water and different size glasses. The large glass represents the selling price (i.e. product sold). Fill it and then pour from this into the small glass, which represents variable costs. The amount left over represents the contribution to fixed costs – pour this into a container or</p>	<p>Adding colouring makes the water more visible. Do this by putting small amounts of dye in the bottom of each glass rather than colouring the water itself so the different receptacles and the different elements they represent have different</p>	<p>Farquharson p.510-514 Stimpson p.167</p> <p>www.tutor2u.net/business/producton/break_even.htm</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
of safety, uses and limitations of break-even analysis	<p>jug. When enough contributions from sales have been poured in and filled the jug, the business has broken even and all the other contributions are profit. (W) (Basic)</p> <p>Then give learners a series of mini case studies containing increasingly complex figures upon which to base break-even, margin of safety and profit calculations. Learners then do the calculations as a class race to see who can correctly calculate through to the end of the most difficult problem first. (I)</p> <p>Follow this with a class discussion focusing on the limitations of the break-even technique. (W)</p> <p>Set a homework assignment such as Question 2b from Cambridge Past Paper 21 November 2013 to consolidate learning. (H) (F)</p>	<p>colours.</p> <p>Break-even is relatively straightforward as long as the numbers involved are simple. Build up from the most basic calculations and add in complexity as learners become more confident.</p> <p>The margin of safety is calculated by taking the break-even level of output away from the current level of output. This is therefore the amount over and above the break-even point.</p> <p>KEY CONCEPT 5: CREATING VALUE A business creates value by operating above the break-even point.</p>	<p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Progress check – costs	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.524-5 case study questions • Question 7 from Cambridge Specimen Paper 01. (I or H) (F) 	–	<p>Farquharson p.524-5</p> <p>Cambridge specimen papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Accounting fundamentals			
<p>Income statement – contents including cost of sales, gross profit, operating profit, profit for the year, retained earnings</p>	<p>Start by introducing the income statement. One accessible way to do this is to present it as a ‘story’ of the year’s trading in a particular business. Revenue is the beginning of the story, while retained profit (if any) and dividends are the ending. Introduce each element in between as the next ‘chapter’, and pause at the appropriate places to calculate the various profit measures (i.e. gross profit, operating profit etc.). Conclude with a whole class discussion to ensure understanding. (W) (Basic)</p> <p>Then put learners in pairs and give them a set of entries from an income statement. Ask them to put these in the correct order. (P) (Basic)</p> <p>Once learners understand the basics of an income statement, extend their understanding by asking them to look at real income statements from local, national or international businesses, interpret the figures and discuss the data with the rest of the class. (W) (Challenging)</p> <p>To consolidate learning, set a homework assignment such as Farquharson Activity 29.3. (H) (F)</p>	<p>Income statement is the new international term for a profit and loss account. Some textbooks may still refer to the profit and loss account but it is important that learners know that income statement is the term they must use in the exam.</p> <p>Many companies publish their accounts online, and some suggested links are provided here. For the task where learners look at real statements, do not give them the whole set of accounts, but only the income statement page without accompanying notes (which are likely to be too technical at this stage).</p> <p>It is also best to avoid income statements from larger organisations that are consolidated (i.e. covering the whole group of businesses).</p>	<p>Farquharson p.528 and p.534-537 Stimpson p.174</p> <p>Downloadable PLC accounts, e.g.:</p> <p>www.aboutmcdonalds.com/mcd/investors/annual_reports.html</p> <p>www.ikea.com/ms/en_CN/about_ikea/press/press_releases/annual_report.html</p>
<p>Statement of financial position – contents including non-current assets, current assets, current liabilities, working capital,</p>	<p>Introduce the statement of financial position to the class. A good approach is to use a series of weights on a set of scales to demonstrate what is owned (assets), what is owed (liability and equity) and how this must be balanced. (W) (Basic)</p> <p>Follow this by showing a few simple double entry book-keeping examples to help extend learners’ understanding. (W) (Challenging)</p>	<p>Statement of financial position is the new international term for a balance sheet. Some textbooks may still refer to balance sheets but it is important that learners know that statement of financial position is the term they must use in the exam.</p> <p>The key elements of the statement of financial position that need to be</p>	<p>Farquharson p.537-541 Stimpson p.175-176</p> <p>Downloadable PLC accounts (see previous activity)</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
net assets, non-current liabilities, reserves and equity	<p>Then put learners in pairs and give them a set of entries from a statement of financial position. Ask them to put these in the correct order. (P) (Basic)</p> <p>Once learners understand the basics of a statement of financial position, extend their understanding by asking them to look at real statements of financial position from local, national or international businesses, interpret the figures and discuss the data with the rest of the class. (W) (Challenging)</p> <p>To consolidate learning, set a homework assignment such as Farquharson Activity 29.4 and/or Stimpson Progress Check B. (H) (F)</p>	<p>communicated to learners include:</p> <ul style="list-style-type: none"> • non-current assets • current assets • current liabilities • working capital • net assets • non-current liabilities • reserves • equity. <p>Note: It is not necessary to go into any depth about double entry book-keeping – it is just a useful way of explaining the principle of balancing statements.</p> <p>Many companies publish their accounts online, and some suggested links are provided here. For the task where learners look at real statements, do not give them the whole set of accounts, but only the statement of financial position page without accompanying notes (which are likely to be too technical at this stage).</p> <p>Again, it may also be best at this stage to avoid statements from larger organisations that are consolidated (i.e. covering a whole group of businesses).</p>	
Liquidity ratios Practical use of ratio analysis	Introduce ratios by explaining that they are two numbers compared against each other. Then, using the accounts worked on in the previous activities, ask learners to make some ratios before you tell them the specific ratios used in	Remind learners that by definition a ratio is only useful if it is compared. Learners need to understand that stock is	Farquharson p.545-548 Cambridge past papers and accompanying mark schemes are

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>the syllabus, and discuss their findings. Conclude by introducing the two liquidity ratios (current ratio, acid test) specified in the syllabus. (W) (Basic)</p> <p>Then hand out either a number of years' accounts for one business, or one year's of accounts for a number of different types of business. Ask learners to calculate the current ratio first as this is the easiest. When they have done this, ask them to calculate the acid test ratio (this will provide a different perspective as it won't include stock –the least liquid asset). Finally, learners explain in writing the reasons for the results obtained. (I) (Basic)</p> <p>Using a range of different business contexts, follow this with a class discussion on the best ways to improve the liquidity of each business. Some businesses require huge amounts of stock (such as retail businesses) and therefore a low acid test may be expected. Include a focus on how improving liquidity can help reduce working capital problems. (W) (Challenging)</p> <p>Set a homework assignment such as Question 1b from Cambridge Past Paper 21 November 2013 to consolidate learning. (H) (F)</p>	<p>the least liquid current asset. Demonstrate this with examples of businesses going into liquidation (i.e. a car manufacturer). Who would want to buy the stock (for full price) if the business has a limited future?</p> <p>For the second and third tasks, the benefit of looking at the accounts of different types of business is this will show that a definitive 'right' ratio is not possible over all businesses.</p> <p>KEY CONCEPT 2: MANAGEMENT Again an opportunity throughout all the ratio analysis to show learners the importance of manager having access to accurate and useful data to make better decisions.</p>	<p>available at teachers.cie.org.uk</p>
<p>Profitability ratios</p> <p>Practical use of ratio analysis</p>	<p>Introduce the two profitability ratios covered in the AS section of the syllabus: gross profit margin and net profit margin.</p> <p>Then hand out a suitable income statement and ask learners to calculate the gross profit margin first as this is the easiest. When they have done this, ask them to calculate the net profit margin as well. This provides a different perspective (i.e. after all direct and indirect costs</p>	<p>Learners should understand that a margin can be calculated on any profit measure (gross, operating, net, etc.) but that it is not 'bottom line' profit, unless the net profit after all deductions has been used.</p> <p>During the class discussion make sure learners understand that different business types have different needs for</p>	<p>Farquharson p.544-546 and p.549</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>have been deducted). Finally, learners explain in writing the reasons for the results obtained. (I) (Basic)</p> <p>Using a range of different business type contexts, follow this with a class discussion on the best ways to improve the profitability of each business. Include a focus on how improving profitability can help reduce working capital problems. (W) (Challenging)</p> <p>Set a homework assignment such as Question 1b from Cambridge Past Paper 23 November 2013 to consolidate learning. (H) (F)</p>	<p>direct and indirect costs. A manufacturing business is likely to have a large number of direct costs and indirect costs, whereas a service sector business is likely to have much lower direct costs and therefore a high gross profit margin in comparison.</p>	
<p>Main users of accounts – comparison of ratio results between businesses, limitations of these ratios, information requirements of stakeholder groups</p>	<p>Give learners income statements and a statements of financial position from two businesses covering more than one year's accounts. Ask them to calculate the following ratios:</p> <ul style="list-style-type: none"> • current ratio • acid test • gross profit margin • net profit margin. (I) <p>On completion, discuss the results of the ratios and changes over the years with the class and mind-map ideas on how the ratios could be improved. (W)</p> <p>Then ask learners to focus on the limitations of ratios. For the examples they calculated above, ask them to discuss:</p> <ul style="list-style-type: none"> • why would a business be foolish to base all their decisions just on these calculations? • how could circumstances change to make the calculations irrelevant? (W) (Challenging) 	<p>Find appropriate statements online accounts or make simplified versions as required for this activity.</p> <p>Accounts will often need to be differentiated for learners of different abilities. Most learners will be unable to cope with an income statement and statement of financial position from a major business without simplification.</p> <p>KEY CONCEPT 6: STRATEGY Although strategic management is not required until A Level, there is always going to be a requirement for managers and stakeholders to use numerical data to formulate the way forward. Good use of ratios is the foundation of many strategies. However almost as importantly is the awareness of the limitations of such data.</p>	<p>Farquharson p.544-546 and p.549</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Follow this by putting learners into groups to role-play different stakeholders' reactions to the accounts and ratios looked at in the previous task. Differentiate the roles to be played by learners in each group according to their level of difficulty, as follows :</p> <ul style="list-style-type: none"> • shareholders/owners (basic) • managers (basic) • suppliers (challenging) • customers (challenging) • competitors. (basic) (G) <p>Learners report back on the role-play to the class. Ensure this leads to identifying the underlying information requirements of each stakeholder group. (W)</p>		
<p>Limitations of published accounts – not reflecting the future, out of date, historical, qualitative, 'window dressing', relevance to individual parts of a business</p>	<p>Give learners a set of simplified published accounts for a business and ask them to examine their usefulness and limitations, producing a report with evidence to answer the following points:</p> <ul style="list-style-type: none"> • what information can be gained about liquidity? • what information about liquidity might not be in the accounts? • what information can be gained about profitability? • what information about profitability might not be in the accounts? • how out of date are the accounts? Why might that be a problem? • are the accounts historical? If so why might this be a problem? • how useful are the accounts for judging the future of the 	<p>Note: Knowledge of specific Accounting Standards is not required in the syllabus or for examination.</p>	<p>Farquharson p.547-548</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>business? What are the limitations to this?</p> <ul style="list-style-type: none"> what qualitative information is not in the accounts but is needed to judge the business? how might the figures be interpreted/compiled in a different way to 'window dress' the data? why might it be more useful to have data about individual parts/functions of the business? (I) 		
Progress check – accounting fundamentals	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> Stimpson p.179-180 multiple choice and exam-style questions Question 1c from Cambridge Specimen Paper 02. (I or H) (F) 	–	<p>Stimpson p.179-80</p> <p>Cambridge 2016 specimen papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Forecasting cash flows and managing working capital			
<p>Purposes of cash flow forecasts – the difference between cash and profits, the need to hold suitable cash levels and the consequences</p>	<p>Start by explaining that cash flow can be seen as the 'blood' flowing round the body of a business – a business cannot function without cash flow. As part of this, discuss the difference between cash and profit. (W)</p> <p>Then ask learners to research and produce a brief written report on the need for cash flow within a chosen business, such as:</p> <ul style="list-style-type: none"> restaurant 	<p>The difference between cash and profit is often not appreciated by learners. Most business failures are not due to lack of profits, but to poor cash flow.</p>	<p>Farquharson p.493-494 Stimpson p.159</p> <p>www.businesscasestudies.co.uk/cima – choose 'The importance of cash flow'</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
of not doing so	<ul style="list-style-type: none"> • seasonal tourist business • toy manufacturer • hairdressers • ice cream retailer. (I) <p>Using this research, learners write a brief explanation of the consequences to the business of not holding sufficient cash. (I) (Challenging)</p>		
Cash flow forecasts in practice – uses, interpretation	Give learners a cash flow forecast from a suitable business case study. Ask them what can they tell about the business from the cash flow forecast? Discuss the figures and highlight any issues with the cash flow forecast. (W)	–	Farquharson p.496 Stimpson p.161 www.tutor2u.net/business/gcse/finance_cashflow_forecast.html
Cash flow forecasts in practice – construction of, recognising uncertainty, making amendments	<p>Give learners some figures to enter into a cash flow. These can be as simple or as complicated as needed to challenge learners. (I)</p> <p>Then give the learners some changes to be made to the cash flow forecast. This can be done as a race to see which learner can correctly complete the cash flow forecast. (I)</p> <p>Follow this with a class discussion on the impact uncertainty can have on producing forecasts. Ask learners to identify businesses where there is more uncertainty due to issues such as seasonality, external issues, changing technology etc. (W) (Challenging)</p> <p>To consolidate learning, set a homework assignment such as Farquharson Activity 27.2 and/or 27.3. (H) (F)</p>	<p>KEY CONCEPT 1: CHANGE</p> <p>Cash flow forecasting is only as good as the environment is stable. Many businesses have spent hours forecasting their cash only to find that a fundamental change makes the forecasts unusable. Change is not a reason not to forecast, but it is one of the major constraints on its usefulness.</p>	Farquharson p.495-498 Stimpson p.160-161
Methods of improving cash	Start with a class discussion on the ways in which cash flow can be improved in a business. (W)	<p>KEY CONCEPT 2: MANAGEMENT</p> <p>Cash flow problems are a major source of</p>	Farquharson p.500-503 Stimpson p.162-164

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>flow – reducing costs, improving the management of trade receivables/ payables, debt factoring, sale and leaseback, leasing, hire purchase, applying these to given situations</p>	<p>Then put learners into groups to look at a business they already have some knowledge of, e.g. a local business. Ask each group to identify where cash inflows come from in that business and what the most likely areas are for cash outflows. They then draw a diagram showing how the cash flows around the business and to show possible areas for blocks in the cash flow. For each area of possible blockage, the group then analyses the effect of cash not flowing and suggests possible solutions. This should include:</p> <ul style="list-style-type: none"> • management of trade receivables and payables • debt factoring • sale and leaseback • leasing and hire purchase (G) <p>As an extension activity, ask more able learners to mind-map the different ways in which a business can solve cash flow problems, separating the solutions into short, medium and long term solutions. (I) (Challenging)</p> <p>Set a homework assignment such as Question 2d from Cambridge Past Paper 23 May/June 2013 to consolidate learning. (H) (F)</p>	<p>business failure and therefore cash flow management is one of the most important skills a good manager develops.</p>	<p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>Progress check – forecasting cash flows and managing working capital</p>	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.504-5 case study questions • Stimpson p.164-5 multiple choice and exam-style questions • Question 3 from Cambridge Past Paper 12 November 2012. (I or H) (F) 	<p>–</p>	<p>Farquharson p.504-5 Stimpson p.164-5</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Business and its environment (A Level)

Recommended prior knowledge

Learners should have studied the AS content on business and its environment before starting this topic and built up their basic analytical and evaluative skills during the course of their studies.

Context

Learners will already have an idea of what a business is and be able to analyse the impact of the external environment upon it. However, the AS unit leaves many influences untouched and this unit aims to broaden and complete the picture. Here, learners will develop their understanding of the dynamic and changing environment within which a business operates and how this can affect all the aspects of a business's performance and success. The areas covered bring together many opposing forces inside and outside the business and enable learners to evaluate the most influential impacts as essential underpinning for the remainder of their A Level course.

Outline

Learners will revisit some aspects of business structure and size covered in the AS unit and build on this further to describe a more varied range of business contexts. The ability to analyse the external environment and how it impacts on business decisions will also be developed as part of this learning.

Teaching time

It is recommended that this section should take approximately 12% of the A Level course (6% of the whole AS and A Level programme).

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Business structure			
Local, national and multinational businesses – the differences between them, the impact of international trading links on their activity	<p>Ask learners to research one business from each of the following three types, and identify and explain in writing the differences:</p> <ul style="list-style-type: none"> local business – ideally this should be a small business rather than a local branch of a larger business national business multinational business. (I) <p>Then as a class, discuss how international trading impacts on the business, making sure you cover the following key</p>	<p>KEY CONCEPT 1: CHANGE</p> <p>This is an obvious area to discuss change, as the world has changed. In a recent TV advert HSBC suggested that even the smallest businesses are international because of the internet. Where will this 'shrinking' of the world end and what are the implications for business?</p>	<p>Farquharson p.34-36 Stimpson p.9-10</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>issues:</p> <ul style="list-style-type: none"> • more competition • economies of scale • diseconomies of scale • increased movement of goods. (W) (Challenging) <p>This work will then be used as context for the work undertaken in the following activities.</p> <p>To consolidate learning, set a homework assignment such as Stimpson Progress Check C. (H) (F)</p>		
Multinationals – benefits and disadvantages, their relationship with the state	<p>Ask learners to analyse the advantages and disadvantages of the multinational organisation they focused on in the previous activity, preparing a short presentation to give to the whole class. (I)</p> <p>After the presentations, divide the class into groups to discuss the relationship between the multinational businesses they have collectively researched and the government of their country. They prepare a short presentation for the rest of the class on the benefits and disadvantages to the government. (G) (Challenging)</p>	–	<p>Farquharson p.34-36 Stimpson p.9-10</p> <p>www.economist.com/news/special-report/21596667-relationship-between-business-and-government-becoming-increasingly-antagonistic</p> <p>www.ippg.org.uk/papers/bp32.pdf</p>
Privatisation – advantages and disadvantages in a given situation	<p>Put learners into pairs and ask them to choose an industry in their country that is state owned (if this is not possible then suggest another country which still has state-owned businesses). Each learner then prepares an argument for the industry to be privatised or to stay nationalised, respectively. (P)</p> <p>Then put the pairs into larger groups and ask them to look at a business that has already been privatised, producing a</p>	Use local examples of privatisation if possible.	<p>Farquharson p.29-31</p> <p>www.economist.com/topics/privatisation-and-nationalisation (list of articles)</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>mind-map of the advantages gained by the state and other stakeholders by the privatisation. (G)</p> <p>Set a homework assignment such as Farquharson Activity 2.6 to consolidate learning. (H) (F)</p>		
Progress check – business structure	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.35-36 Activity 2.7 • Stimpson p.10 Multiple choice questions • Question 1 Cambridge Past Paper 32 June 2012. (I or H) (F) 	–	<p>Farquharson p.35-36 Stimpson p.10</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Size of business			
External growth – the different types of merger and takeover	<p>Put the class into groups and allocate each group one of the following types of external growth:</p> <ul style="list-style-type: none"> • horizontal merger • vertical merger • horizontal takeover • vertical takeover • conglomerate • friendly merger • hostile takeover. <p>Each group then finds as many examples of their type of</p>	<p>KEY CONCEPT 1: CHANGE</p> <p>As businesses grow, so they change. How do the different stakeholders cope with this change? How might this tie in with areas such as marketing, people and management?</p>	<p>Farquharson p.47-51 Stimpson p.14-15</p> <p>www.s-cool.co.uk/a-level/business-studies/business-organisation – choose ‘Revise it’ and ‘The growth of business’</p> <p>www.yourarticlelibrary.com/tag/article-s-on-business-strategies – choose ‘Business strategies: internal growth and external growth strategies’</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>external growth as they can. On completion, each group presents their findings to the rest of the class. (G)</p> <p>Set a homework assignment such as Question 1 from Cambridge Past Paper 33 May/June 2012 to consolidate learning. (H) (F)</p>		<p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>External growth – the impact of a merger/ take-over on stakeholders, why there is not always synergy of objectives</p>	<p>Put learners into groups and give them a current external growth (merger or take-over) news story. Learners then role-play the different stakeholder perspectives to external growth – the roles ideally reflect those in the news item but as a minimum include:</p> <ul style="list-style-type: none"> • employees • managers • owners • customers. <p>Throughout the role play, learners should note the different objectives each stakeholder may pursue and on completion identify the potential lack of synergy. (G)</p> <p>Set a homework assignment such as Farquharson Activity 3.4 and/or Stimpson Progress Check C to consolidate learning. (H) (F)</p>	<p>KEY CONCEPT 2: MANAGEMENT Managing change is an important concept. The role of management is to adapt, not to learn a series of rules and apply them without thought to every situation. Just because a merger or takeover makes financial sense, it may still cause many problems which need to be managed.</p>	<p>Farquharson p.49-51 Stimpson p.16-17</p>
<p>External growth – joint ventures and strategic alliances</p>	<p>Using the internet as a starting point, investigate as a class the joint venture that led to the creation of the Concorde aeroplane. (W)</p> <p>Then ask learners to answer the following questions:</p> <ul style="list-style-type: none"> • what were the advantages of designing and manufacturing Concorde as a joint venture? 	<p>KEY CONCEPT 6: STRATEGY Joining together with another business has extra risks and potential rewards. The planning of such ventures will be complex and require bringing together of all the aspects of business to devise a strategy that works.</p>	<p>Farquharson p.52</p> <p>en.wikipedia.org/wiki/Strategic_alliance</p> <p>www.nzte.govt.nz/en/export/growing-your-exports/6-growing-your-strategy/strategic-alliances-and-joint-</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> what were the risks for Britain and France? (I) (Basic) <p>Then ask learners to investigate a joint venture or strategic alliance that has made the news more recently and write a brief report on the benefits/drawbacks to stakeholders of both organisations. (I)</p> <p>To stretch and challenge the more able learners, ask them to also research the legalities of joint ventures and strategic alliances. At what point does the law intervene and why? (I) (Challenging)</p>		ventures/ www.nzte.govt.nz/en/export/growing-your-exports – choose ‘Growing your strategy’ and then ‘Strategic alliances and joint ventures’
Progress check – size of business	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> Farquharson p.52–5 revision and case study questions Stimpson p.18 exam-style questions Question 6 from Cambridge Specimen Paper 03. (I or H) (F) 	–	<p>Farquharson p.52–5 Stimpson p.18</p> <p>Cambridge 2016 specimen papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
External influences on business activity			
Political and legal influences – how and why governments use the law to control areas	<p>Put learners in groups and ask them to devise a basic board game based on answering questions about the political and legal influences on a business. To do this, learners will need to research the political and legal influences on businesses in their country. Areas to consider for questions could include:</p>	<p>Learners are not expected to know about specific political parties or laws, but must be able to identify the type of political and legal influences that are applied to businesses using contexts given to them.</p>	Farquharson p.84-91

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
of business activity	<ul style="list-style-type: none"> • employment conditions • health and safety • minimum wage • restrictions on marketing behaviour • competition regulations • location and environmental regulations • regulations over the sale of goods and services. (G) <p>To extend more able learners, ask them to add questions about the differences between their and other countries' political and legal influences on a business. (Challenging)</p> <p>Set a homework assignment such as Farquharson Activity 6.2, 6.4 and/or 6.5 to consolidate learning. (H) (F)</p>	<p>No one particular country's laws are more important than another's, for this topic, and if the use of specific type of law is required (i.e. minimum wage) then learners will be made aware of this in the examination.</p> <p>KEY CONCEPT 1: CHANGE Change within politics and the legal system is often slow and can be planned for. However there are also occasions when it is unforeseen and businesses must be able to adapt quickly and efficiently.</p>	
Political and legal influences – how international agreements might have an impact on businesses	<p>Put learners into pairs and ask them to each research one example from the following types of international agreement:</p> <ul style="list-style-type: none"> • international treaties (e.g. Maastricht treaty) • free trade agreements (e.g. North American Free Trade Agreement) • climate change agreements (e.g. Kyoto) • common currency agreements (e.g. Euro). <p>Each pair then designs a poster showing the potential benefits and costs to domestic businesses. (P) (Basic)</p> <p>Then, referring back to the work they did on local, national and international businesses at the start of this unit, each pair discusses the impact their international agreement had or would have if it were applied to the three businesses they researched. (P)</p>	<p>Learners are not expected to have detailed knowledge of specific international agreements. If a specific agreement is used, learners will be made aware of it in the exam.</p>	<p>www.google.co.uk – type 'international agreements' and the name of the country you are researching</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	Learners then write a brief report to explain and analyse why, even if the conclusion is little or no influence. (I) (Challenging)		
Economic constraints and enablers – macro-economic objectives and policies, how changes affect business behaviour	<p>Divide the class into five groups and give each group one of the following government macroeconomic objectives:</p> <ul style="list-style-type: none"> • low unemployment • low and stable inflation • stable exchange rates • transfer of wealth • economic growth. <p>Using their own or another stated country, each group researches their macroeconomic policy and:</p> <ul style="list-style-type: none"> • produces a timeline showing the changes in the policies and rates involved for that policy over time • identifies a number of points on their timeline where the impact on business has been significant (good or bad) • adds what these impacts on business were to the timeline. (G) <p>Staying in the same groups, each learner is then allocated a particular macroeconomic policy instrument (e.g. fiscal, monetary, exchange rate) and asked to identify the places in the timeline where their instrument was used and what impact it had. They add these descriptions and analysis to the timeline. (G) (Challenging)</p> <p>Each group then displays and discusses their timeline with the rest of the class. If possible learners also discuss how the different macroeconomic objectives may interact with each other. Try to spot overlapping changes and where there are points of positive/negative performance in more than one</p>	<p>The five objectives listed in the activity reflect those emphasised in the syllabus. You might find that some textbooks focus on a stable balance of payments rather than exchange rates or transfer of wealth.</p> <p>Use an internet search to look for the specific macroeconomic objective and country you want to set for each group.</p> <p>KEY CONCEPT 1: CHANGE The economy is often seen as a constraint on a business, but often economic change is also an opportunity. Look at the recent global recession and the types of business that have actually grown because of the downturn.</p>	<p>Farquharson p.110-130 Stimpson p.37-41</p> <p>www.tutor2u.net/economics/content/topics/macroeconomy/government_policy.htm</p> <p>www.tutor2u.net/economics/revision-notes/as-macro-macroeconomic-policy.html</p> <p>www.bized.co.uk/learn/economics/govpol/macropolicies/index.htm</p> <p>Cambridge 2016 specimen papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>macroeconomic objective at the same time. (W) (Challenging)</p> <p>For consolidation, include Question 1 from Cambridge Specimen Paper 3 in a class test or homework assignment. (I or H) (F)</p>		
<p>Economic constraints and enablers – how the state might intervene to help/constrain small and large business and address market failure</p>	<p>Ask learners to explain and analyse in a brief report how government policies in the recent past may have affected the three businesses they chose for the work on local, national and international businesses at the start of this unit. (I)</p> <p>Then put learners into groups, and allocate each a market failure in a context that is relevant to their local economy, such as:</p> <ul style="list-style-type: none"> • provision of public/merit goods (e.g. healthcare) • regulation of demerit goods (e.g. cigarettes) • externalities (e.g. pollution). <p>Each group investigates and explains what steps the state has taken to reduce or control their allocated market failure. This could include:</p> <ul style="list-style-type: none"> • regulation • taxation • grants and subsidies • permits • information provision. <p>On completion, each group presents their findings to the rest of the class. (G)</p> <p>Then ask learners to investigate one business that has been</p>	<p>The government plays a key role both in enabling business and in preventing markets from failing. In the first task learners look at what their government has done to encourage business and allow more competition in the market (e.g. grants, tax relief, etc.).</p> <p>The second (group) task then enables them to focus on addressing market failure (e.g. protection for new businesses, monopoly and merger regulations, etc.).</p>	<p>Farquharson p.110-130 Stimpson p.37-41</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>affected in a negative way and/or one business that has been affected in a positive way by the policies outlined in the previous task. (I) (Challenging)</p>		
<p>Social influences – why businesses must consider the needs of the community</p>	<p>Ask the class to discuss the needs of your local community, how different types of business may respond to those needs and why. These might include:</p> <ul style="list-style-type: none"> • litter and pollution • jobs and employment • congestion and parking <p>Build a mind map of the ideas discussed on the board. (W)</p> <p>Then put learners into groups to research a pressure group that works within your local community. On completion, ask them to design a suitable form of promotion for that group's messages. (G)</p> <p>Using this information, learners then analyse and evaluate in writing the effects of the chosen pressure group on one particular business in your local area. Many businesses may not be affected, so choose one where there is a positive or negative effect. (I) (Challenging)</p>	<p>National pressure groups can be used for this activity, but local groups may allow learners to see the actions of the group and their impact themselves.</p> <p>Use internet news searches to find recent stories on pressure groups working in your area.</p> <p>KEY CONCEPT 3: CUSTOMER FOCUS</p> <p>For most businesses, local community is likely to form the basis for some or more of its customers. Therefore taking community needs into account can also be about meeting customer needs.</p>	<p>Farquharson p.104 Stimpson p.34</p> <p>www.tutor2u.net/politics/content/topics/pressure_groups/pressure_groups.htm</p>
<p>Social influences – the impact of corporate social responsibility (CSR)</p>	<p>Many larger businesses will have a CSR policy. Ask learners to investigate the CSR policy of one such business in their own country or using the website links provided opposite, and analyse in a table the effects that policy is likely to have on the following areas of business activity:</p> <ul style="list-style-type: none"> • production • marketing • employment 	<p>–</p>	<p>Farquharson p.61-62, p.74-79, p.102-3</p> <p>Downloadable corporate social responsibility policies, e.g. www.viridor.co.uk/sustainability/csr-policy/</p> <p>www.devere-</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> • finance • objectives. (I) <p>To consolidate learning, set a homework assignment such as Question 5 from Cambridge Past Paper 31 May/June 2011. (H) (F)</p>		<p>hotels.co.uk/general/csr-policy.html</p> <p>www.fugro.com/csr/csr-policy-and-ambitions.asp</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Technological influences (including the internet) – the problems of introducing technological change	<p>Ask learners to investigate a technological change at school/college that affected them and analyse in a table the benefits they gained from that technology being introduced and the likely costs of that change to them, the school or government. (I) (Basic)</p> <p>Then, using the same process, ask learners to analyse in a table the effects on a business (good and bad) of the introduction of a piece of technology. This could be something as simple as a photocopier or something as large as a new production method. (I) (Challenging)</p> <p>Finally, put learners into pairs, and ask them to debate whether and how the internet has been positive or negative for businesses. Each pair produces a paragraph arguing a positive effect and a paragraph arguing a negative effect. (P)</p> <p>To consolidate learning, include Question 1d from Cambridge Past Paper 23 November 12 in a class test or homework. (I or H) (F)</p>	<p>Technological change can have a major impact on business activity, as has been with the rise of the internet, but can also be incremental, such as the take-up of interactive whiteboards and tablet computers in schools.</p> <p>KEY CONCEPT 1: CHANGE Technology is an obvious and accessible area to discuss change.</p>	<p>Farquharson p.91-95 Stimpson p.32-33</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Other businesses influences – how businesses	Place the name of a well-known business in the middle of the board, and ask learners to identify as many associated businesses as possible. These could include:	Choose a business that has some obvious links with other businesses and which learners are aware of.	Farquharson p.91-95 Stimpson p.32-33

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>are constrained by and rely on other businesses</p>	<ul style="list-style-type: none"> • suppliers • trade customers • logistics companies • utility providers • maintenance and cleaning services. (W) (Basic) <p>Then ask learners to take one of the associated businesses identified and:</p> <ul style="list-style-type: none"> • evaluate the effect it could have on the original business • analyse the extent to which it can influence the original business in a positive and/or negative way • evaluate which business is likely to hold the most power in this relationship and why. (I) (Challenging) 		
<p>Demographic influences – how businesses might react to a given demographic change</p>	<p>Put learners into groups and give them a typical demographic change to investigate in relation to their area or another location. Each group produces a brief written report on the changes to:</p> <ul style="list-style-type: none"> • age (e.g. rise in school, retirement or working age) • ethnicity (change in ethnic composition or relations) • wealth (presence and causes of deprivation, class) • home ownership/rental accommodation and quality • employment status (including part-time) • location of population (rural/urban). (G) (Basic) <p>Then allocate each learner one of the demographic changes discussed and ask them to evaluate in a brief written report the impact it has had on a particular business. The business chosen should preferably have experienced both positive and negative effects from the identified demographic changes. (I) (Challenging)</p>	<p>KEY CONCEPT 3: CUSTOMER FOCUS</p> <p>Again, the customer base for all businesses is people. A successful business is one that responds to the changing demographics of the countries in which it operates.</p>	<p>Farquharson p.96-97</p> <p>en.wikipedia.org/wiki/Demographics</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Environmental influences – their impact on business behaviour	<p>Ask learners to identify a business where each of the following environmental issues may affect it in a positive or negative way (learners may need to look at more than one business to cover all these issues):</p> <ul style="list-style-type: none"> • sustainability of raw materials • pollution • a ‘green’ supply chain • packaging (reducing and recycling) • carbon emissions • environmental laws • disposal of waste. (I) <p>On completion, ask learners to discuss the business(es) they identified and their conclusions with the whole class. (W)</p> <p>Set a homework assignment such as Farquharson Activity 6.10 to consolidate learning. (H) (F)</p>	<p>KEY CONCEPT 5: CREATING VALUE</p> <p>Many businesses create extra value in their products and services by engaging positively with environmental concerns. By encouraging recycling, using cleaner production methods, etc. many businesses have found that customers are willing to pay more to balance the additional costs. This shows that any external influence can be an advantage as well as a disadvantage to a business.</p>	<p>Farquharson p.97-105</p> <p>www.tutor2u.net/business/gcse/external_environment_business_environment.html</p>
Progress check – external influences on business activity	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.80-1 and p.105-9 revision and case study questions • Stimpson p.36 and p.42 exam-style questions • Question 1 from Cambridge Past Paper 33 November 2013 • Question 1 from Cambridge Specimen Paper 03. (I or H) (F) 	–	<p>Farquharson p.80-81 and p.105-9 Stimpson p.36 and p.42</p> <p>Cambridge 2016 specimen papers, past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

People in organisations (A Level)

Recommended prior knowledge

Learners should have studied the AS content on People in organisations before starting this topic and built up their basic analytical and evaluative skills during the course of their studies.

Context

Learners looked at the management of people at AS Level, but in this unit they start looking at the management of entire organisations – the focus shifts from individual employees to how the wider structure of the organisation as a whole contributes to an effective working business. Learners will analyse the structures of organisations and link this back to motivational and leadership issues and the study of communication, which is an essential element of any business.

Outline

This unit builds upon the human resource management issues introduced at AS Level and expands learners' focus by looking at how relationships in an organisation can be structured to maximise efficiency and allow effective communication.

Teaching time

It is recommended that this section should take approximately 16% of the A Level course (8% of the whole AS and A Level programme).

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Human resource management			
Approaches to HRM – the difference between 'hard' and 'soft' HRM	Organise a class debate about the uses of 'hard' and 'soft' HRM. One half of the class should argue for the use of 'hard' HRM whilst the other should argue for the use of 'soft' HRM. Before starting, instruct each side to research examples of businesses/ scenarios that illustrate the best use of their approach. (W)	The conclusion to the debate should not be a definitive answer, but a 'depends upon' conclusion. Showing with this that 'context is all' will help learners develop a valuable analytical skill for many areas of the course. KEY CONCEPT 2: MANAGEMENT Management is a key theme throughout the whole People in organisations unit.	Farquharson p.191-192 www.tutor2u.net/business/people/hrm_hard_soft.asp
Approaches to HRM – the advantages/	Give learners a business which uses a wide range of different employees, such as a hospital, technology firm or supermarket.	Learners are likely to focus on the advantages to the business of zero hours contracts without seeing the social and	Farquharson p.188-192 www.acas.org.uk/index.aspx?articlei

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
disadvantages of temporary and flexible contracts	<p>Ask learners to develop a table showing the different contract types (permanent through to flexible and then temporary/zero hours) on one axis and the different job roles within their allocated organisation on the other. They then look at the potential use of each contract type for each job role and assess the opportunities/ barriers. Learners should find at least one job role which would be appropriate for each type of contract. (I) (Basic)</p> <p>Then organise groups to role-play different stakeholder responses (managers, owners, employees, customers) to each contract type. Learners should focus on the advantages and disadvantages for each stakeholder of each contract type. (G) (Challenging)</p> <p>Set a homework assignment such as Question 3 from Cambridge Past Paper 31 November 2013 to consolidate learning. (H) (F)</p>	<p>personal disadvantages. The ability to look at HRM from different perspectives is an important skill for evaluation questions.</p> <p>KEY CONCEPT 3: CUSTOMER FOCUS Many businesses have been criticised for using zero hour contracts, but is this just a way of being customer focused by reducing costs and making products and services available when demand dictates?</p>	<p>d=4667</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Approaches to HRM – measuring and improving employee performance	<p>Start by recapping/refreshing learning of the AS Level content on management and leadership and motivation in the context of improving performance. (W)</p> <p>Then give learners a case study involving poor employee performance. Learners look at the causes and mind-map the consequences of poor performance for the business and then come up with strategies to improve the performance. All learners use the same case study. (I)</p> <p>Once learners have developed their own ideas, get them to discuss these with another learner, then in groups of four and finally bring all the ideas together as a whole class. (G) (W)</p>	<p>Past papers and textbooks are a good source of case studies for this activity.</p> <p>Particular strategies are not going to be definitively right or wrong. Learners should be able to argue for different strategies and evaluate the most effective from different perspectives.</p> <p>KEY CONCEPT 2: MANAGEMENT Managing poor performance is one of the most difficult management tasks. How should a manager discuss poor performance with an employee? What</p>	<p>Farquharson p.195-199 Stimpson p.62-63</p> <p>www.mindtools.com/pages/article/newTMM_80.htm</p> <p>www.acas.org.uk/index.aspx?articleid=3011</p> <p>www.industrialrelations.nsw.gov.au – choose ‘Employment info’, ‘Recruitment and termination’ and ‘Handling disputes’</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	Set a homework assignment such as Question 5 from Cambridge Past Paper 32 May/June 2013 to consolidate learning. (H) (F)	happens when emotions get in the way of good management?	Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk
Approaches to HRM – MBO (management by objectives)	<p>Learners research the management by objectives (MBO) process using textbooks, the internet and any other relevant resources. (I)</p> <p>Then put learners in pairs to analyse the usefulness of MBO. One learner should devise arguments for its usefulness and the other arguments for not using it. These arguments should focus on the usefulness in specific situations, using appropriate businesses already focused on in previous topics. (P)</p> <p>Set a homework assignment such as Stimpson Progress Check C to consolidate learning. (H) (F)</p>	<p>Management by objectives is also sometimes known as management by results (MBR).</p> <p>KEY CONCEPT 2: MANAGEMENT</p> <p>This topic is a good opportunity to discuss management and whether objectives and tasks should be the main focus of a good manager. Should a manager focus on getting the task done, looking after the people under them or a combination of the both? Does context dictate the approach?</p>	<p>Farquharson p.199-200 Stimpson p.63</p> <p>www.economist.com/node/14299761 (article on MBO)</p> <p>www.tutorialspoint.com/management_concepts/management_by_objectives.htm (good diagram on MBO process)</p>
Labour legislation – the need for and underlying principles	<p>Put learners in pairs. With one representing the perspective of the business, the other that of the employee, they look at and identify the advantages and disadvantages of the following types of labour legislation (not all will apply in every country):</p> <ul style="list-style-type: none"> • contracts • redundancy and dismissal • working hours • minimum wage • health and safety. (P) <p>Set a homework assignment such as a homework assignment such as Stimpson Progress Check D to consolidate learning. (H) (F)</p>	<p>The focus here is not on studying specific legislation for any one particular country, but on understanding the need for labour legislation in any country.</p> <p>Other legislation learners could look at includes maternity/paternity/ adoption leave, confidentiality and disability.</p> <p>KEY CONCEPT 1: CHANGE</p> <p>Labour legislation changes over time, but also from country to country. Every business must deal with ongoing change in this area.</p>	<p>Farquharson p.200-201 Stimpson p.63</p> <p>en.wikipedia.org/wiki/Labour_law (covers the laws in many countries)</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>Cooperation between management and workforce – the mutual benefits</p>	<p>Put learners in group to role-play a meeting between workers and management. Give them a fictional scenario where the workers have a dispute against the management. Make it clear that while both sides must put their case, the focus of the ‘meeting’ should be finding a cooperative way forward. (G) (Basic)</p> <p>As a more challenging alternative to this, divide each group into three, where the third set take notes during the meeting then advise the ‘management’ and the ‘workers’ after the meeting on how they could have improved cooperation. If time allows, the meeting could then be resumed after this feedback is given. (G) (Challenging)</p> <p>On completion, ask learners to research actual national disputes between workers and management (public or private sector). Using the theories developed, learners should recommend ways in which cooperation between the workforce and management could be achieved and outline the benefits to both parties. (I) (Basic)</p> <p>To add challenge to this task, ask learners to write a formal letter or presentation to both the management and workforce with informed recommendations to encourage cooperation, outlining the resulting benefits to both parties. (I) (Challenge)</p>	<p>The focus must be on identifying the benefits of cooperation to both parties. Learners often have a tendency here to think more from a management than workforce perspective, which you may need to address.</p> <p>KEY CONCEPT 6: STRATEGY Getting workers to ‘sign up’ to a business strategy is often the key to business success. This can be done through communication, democratic leadership and a variety of other methods.</p>	<p>Farquharson p.200-202 Stimpson p.63-64</p> <p>www.youtube.com/watch?v=m8j0l9FEvXA (video clip of example industrial dispute)</p> <p>en.wikipedia.org/wiki/2011_Qantas_industrial_disputes (background to same example industrial dispute)</p>
<p>Workforce planning – the reasons for and role of a workforce plan</p>	<p>Put learners into groups to design the workforce requirements for setting up a sweet shop in the school/college. They should think about the skills they require, the number of workers they need and the hours they would have to work for. (G) (Basic)</p>	<p>KEY CONCEPT 2: MANAGEMENT Management is not just about the employees you have, but about planning for the ones you may need (or not need) in the future.</p>	<p>Farquharson p.181-183</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Each group then hands their workforce plan to another group to look at and report back with constructive criticism. (G) (Basic)</p> <p>On completion, each learner writes a report about the importance of having a workforce plan for their sweet shop, analysing the time it took to develop and identifying the business constraints caused by having too rigid a plan. Each report should conclude by coming to a judgement about the effectiveness of workforce planning in the given scenario. (I) (Challenging)</p>		
Role of trade unions in HRM – the benefits to employers and employees, including collective bargaining	<p>Put learners in groups to role-play a union negotiation. (G) (Basic)</p> <p>Or ask learners to investigate past local/national industrial disputes and design their role-play on one of these. (G) (Challenging)</p> <p>On completion, lead a whole class discussion on the benefits to the business and employees of collective bargaining. (W)</p> <p>Set a homework assignment such as Farquharson Activity 11.4 to consolidate learning. (H) (F)</p>	The internet and textbooks are a good source of case studies for this activity.	<p>Farquharson p.202-206 Stimpson p.64-65</p> <p>www.tes.co.uk/teaching-resource/Trade-Union-Roleplays-6111337/ (example online source for role-play activities)</p>
Progress check – human resource management (HRM)	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.209 case study and revision questions • Stimpson p.66 multiple choice question • Question 1 from Cambridge Past Paper 31 November 2012 • Question 5 from Cambridge Specimen Paper 3. (I or 	<p>Other textbooks with suitable questions on this topic may be available.</p> <p>Past paper/specimen paper questions help learners practise how to answer effectively in the exam.</p>	<p>Farquharson p.209 Stimpson p.66</p> <p>Cambridge 2016 specimen papers, past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	H) (F)		

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Organisational structure			
<p>Relationship between business objectives, people and organisational structure</p> <p>Types of structure: functional, hierarchical (flat and narrow), matrix</p>	<p>Using examples from the internet or textbooks, discuss different organisational structures with learners. In particular look at a:</p> <ul style="list-style-type: none"> • flat hierarchy • tall/narrow hierarchy • matrix structure • structuring by product • structuring by function • structuring by geographic area. (W) <p>Then give learners a specific organisation (a local one if possible) and ask them to describe and analyse the structure at that organisation, categorising it into one of the structural types discussed above. They then evaluate in writing the suitability of that structure for the organisation's stated business purpose. (I)</p> <p>Follow with a class discussion on the reasons for changing organisational structure and the ways in which it may change. (W)</p> <p>Set a homework assignment such as Farquharson Activity 12.1 to consolidate learning. (H) (F)</p>	<p>Challenge could be built into the task by giving more complex organisations to more able learners.</p> <p>KEY CONCEPT 2: MANAGEMENT This activity gives a good opportunity to focus on this key concept.</p>	<p>Farquharson p.211-223 Stimpson p.68-72</p> <p>www.google.co.uk – type 'organisational structure' into the images search tab</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>Formal and informal organisations – features of a formal structure</p>	<p>Put learners in groups with an organisational chart of the school/college (help them develop this if it doesn't already exist) which they label with full explanations of the following key terms:</p> <ul style="list-style-type: none"> • chain of command for the business teacher highlighted • span of control of one member of the senior leadership • responsibility of one member of middle management • lines of authority for one member of middle management • an explanation of how delegation can take place • an explanation about the centralisation/decentralisation involved. (G) (Basic) <p>Learners then write a letter/report identifying to the Head Teacher/ Principal how the organisational structure could be improved. This should contain an analysis of the current structure and justifications for the changes recommended. (I) (Challenging)</p> <p>Broaden this by giving learners an organisational structure from other business types to label and analyse in the same way so they develop and practice their skills in using the correct terminology. Also ask learners to suggest any informal structures that may exist in the business and whether these benefit the stakeholders. (I)</p> <p>Set a homework assignment such as Question 1 from Cambridge Past Paper 31 May/June 2012 to consolidate learning. (H) (F)</p>	<p>The precise use of correct terminology is essential in this area of the syllabus.</p> <p>Delegation is a common area of misunderstanding. Although responsibility for performing a task can be delegated, accountability cannot. This can be actively demonstrated in the classroom by pretending to give a learner a task, such as writing school reports for the rest of the class. If the learner then did not complete them, who would get the blame?</p>	<p>Farquharson p.211-223 Stimpson p.68-72</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>Delegating and accountability – relationship,</p>	<p>Ask learners to use case studies to analyse the use of delegation and its link to accountability in different business contexts. (I)</p>	<p>Textbooks and the internet are a good source of case studies for this activity.</p>	<p>Farquharson p.211-223 Stimpson p.68-72</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
processes, and advantages/ disadvantages of delegating	<p>Broaden this out into a class discussion on the appropriateness of delegation, focusing in particular on the difficulties of doing it and the times when it may be inappropriate. (W) (Basic)</p> <p>Then put learners in groups to examine delegation in relation to the other topics already covered in this area of the syllabus – leadership, motivation, employee/employer relations, and communication (if covered at this point).</p> <p>Give each group a different area to look at. On completion, each group reports back their findings to the class. (G) (Challenging)</p>		<p>en.wikipedia.org/wiki/Delegation</p> <p>businesscasestudies.co.uk/business-theory – choose ‘People’, ‘Organising people’ and then ‘Delegation and decentralisation’ (case studies)</p> <p>blogs.hbr.org/2012/07/why-arent-you-delegating/</p>
Delegating and accountability – the impact of delegation on motivation	<p>Split the class into two groups – one to research motivation theories and one to look at motivation in practice.</p> <p>Using this work, each group then finds specific business examples of when delegation is an advantage and when it is a disadvantage to the motivation of workers. On completion, each group produces a written report or presentation for the rest of the class. (G)</p>	<p>The ability to bring important topics together in this way is an essential element of successful A Level study.</p> <p>It might be useful to recap the learning done on motivation in AS People in Organisations for this activity.</p>	<p>Farquharson p.211-223 Stimpson p.68-72</p>
Control, authority and trust – the relationship with hierarchy, responsibility and delegation, conflicts that can arise	<p>Using a business and organisational structure already studied, put learners in groups and allocate each learner a job role at a different level in that organisation’s hierarchy. Then ask them to role-play a meeting called to focus on a task that has not been completed, but which has been delegated down the span of control. (G)</p> <p>On completion, learners evaluate the possible impact of this scenario on the stakeholders involved and consider</p>	<p>It is important that learners develop an understanding of the relationship between span of control and levels of hierarchy, the difference between authority and responsibility and the conflicts that arise between control and trust when delegating.</p> <p>KEY CONCEPT 2: MANAGEMENT Does there need to be a distance</p>	<p>Farquharson p.211-223 Stimpson p.68-72</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
between control and trust	the wider conflicts that can arise between managers and the workforce over delegation, producing a mind-map showing where and why these impacts occur. (I) (Challenging)	between management and workers? What happens when the lines get blurred? Is a good manager one who avoids conflict, or one who causes it by constantly pushing forwards?	
Centralisation – advantages/ disadvantages for stakeholders	<p>Introduce centralised and decentralised organisational structures and ask learners to mind-map the potential advantages and disadvantages of centralised structures. On completion, discuss and refine these in relation to businesses that do use centralised structures. (I) (W) (Basic)</p> <p>Then ask learners to draw up a table of the potential advantages and disadvantages of decentralised structures. On completion, discuss and refine these in relation to businesses that do use decentralised structures. (I) (W) (Basic)</p> <p>Follow this up by putting learners in pairs and allocating each a local, national or international business they have already studied. One learner argues the case for that business using a centralised structure, the other a decentralised structure. Give appropriate preparation time and then limit each debate to 5–10 minutes in front of the whole class, with a short time afterwards for questions and a vote on which case was more convincing. (P) (Challenging)</p>	<p>KEY CONCEPT 6: STRATEGY Should businesses develop strategies to centralise their business or to decentralise? In most cases the most important aspect is the context and the business's ability to adapt their strategy in relation to this.</p>	<p>Farquharson p.211-223 Stimpson p.68-72</p> <p>www.tutor2u.net/business/people/org_centralisation_decentralisation.asp</p> <p>www.businesscasestudies.co.uk/legal-services-commission – choose 'The advantages of centralisation'</p>
Line and staff – difference between line and staff management	Play 'staff management charades' – write a number of different line and staff relationships on pieces of paper and put them into a box. Learners pull out one piece of paper and mime the relationship that they have been given. (W) (Basic)	<p>KEY CONCEPT 2: MANAGEMENT This activity gives a good opportunity to focus on this key concept.</p>	<p>Farquharson p.211-223 Stimpson p.68-72</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Then hand out a case study of conflict between staff and line managers based on any business where there is a clear distinction between line and staff relationships. The study should start with a simple set of questions requiring learners to identify the line and staff relationships. Questions should then progress to explaining the difference between the relationships. (I) (Challenging)</p>		
<p>Relationship between business objectives, people and organisational structure – purpose and attributes of a structure (flexibility, growth, etc.)</p>	<p>Hand out a suitable business case study and ask learners to write a description of:</p> <ul style="list-style-type: none"> • the organisational structure of the organisation chosen – explaining the structure using correct terminology • the line and staff structures used • the delegation used and links to leadership and motivation • where conflict occurs in the organisation • how flexible the structure could potentially be • how the structure could respond to growth of the business. (I) (Challenging) <p>Set a homework assignment such as Farquharson Activity 12.3 to consolidate learning. (H) (F)</p>	<p>This is a good opportunity to consolidate learning from the previous activities on organisational structure in a way that enables learners to bring them together into a unified and inter-relating whole and understand more fully the underlying strategic drivers.</p> <p>KEY CONCEPT 6: STRATEGY Discuss how learners can pull together all the elements of people in organisations and develop strategies that take everything into account.</p>	<p>Farquharson p.211-223 Stimpson p.68-72</p> <p>businesscasestudies.co.uk/business-theory – choose ‘Strategy’, ‘Business organisation’ and then ‘Organisational structure’</p> <p>www.tutor2u.net/blog/index.php/business-studies/comments/lesson-worksheet-organisational-structure-basics (see links there to blog entries)</p>
<p>Progress check – organisational structure</p>	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.223-5 case study and revision questions • Stimpson p.72-3 multiple choice and exam-style questions • Question 7 from Cambridge Past Paper 32 	<p>–</p>	<p>Farquharson p.223-5 Stimpson p.72-3</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	May/June 2013. (I or H) (F)		

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Business communication			
Purposes of communication – situations in which communication is essential	<p>Ask learners to list as many examples of communication as they can in their immediate environment in five minutes. Encourage them to look for types of communication they may not find immediately obvious, such as:</p> <ul style="list-style-type: none"> • fire alarm • noticeboards • logos on clothing • signs • markings on the floor/walls. (I) <p>Then put learners in groups to pool their results together and develop a mind-map, discussing the outcome on completion. (G)</p> <p>In the same groups, then ask learners to design a fire procedure, including how to communicate meeting points, contingency plans and alarm system. Also ask learners to identify the potential challenges in communicating this critical information effectively. (G)</p> <p>Then ask learners to apply the communication methods identified in their mind-maps to a business they have already studied, and write a brief report on the types of emergency communication that business may use and why</p>	<p>Communication is an area all learners have experience of. Bringing out this experience will help them understand the importance of effective business communication.</p> <p>KEY CONCEPT 2: MANAGEMENT Communication should not just be a coincidence of what is already in place, but a managed device to enable the business to achieve its objectives.</p>	<p>Farquharson p.228-229 Stimpson p.75</p> <p>www.bized.co.uk/educators/16-19/business/marketing/lesson/communications1.htm (activity on creative communication)</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>they are appropriate. (I) (Challenging)</p> <p>Set a homework assignment such as Stimpson Progress Check A to consolidate learning. (H) (F)</p>		
<p>Methods of communication – different methods, their strengths and weaknesses</p>	<p>Arrange a visit to a business or local supermarket so learners can apply their understanding of communication in a real setting. While there, ask learners in groups to identify as many communication methods in that business as they can. As in the previous activity, this should include looking for less obvious/direct methods. (G)</p> <p>Then ask each learner to analyse one of the communication methods they spotted, how and why this method is used and what the potential advantages and disadvantages of this method are for the context in which it is used. (I) (Basic)</p> <p>As an extension, ask more able learners to identify how each method of communication could be improved (i.e. placement, volume, colour, medium etc.). (I) (Challenging)</p> <p>Follow this with a class discussion about the ways in which different businesses may use different communication method. (W)</p> <p>Set a homework assignment such as Stimpson Progress Check B to consolidate learning. (H) (F)</p>	<p>KEY CONCEPT 6: STRATEGY</p> <p>The choice of communication methods employed by a business must be in line with the businesses strategy.</p>	<p>Farquharson p.229-230 Stimpson p.75</p> <p>vingapp.com/ving-improved-communication-technology/5-surprising-facts-internal-communication/</p>
<p>Channels of communication – how it works within an</p>	<p>Write out the following onto pieces of paper and fold them up, keeping separate piles for each of the four categories:</p> <ul style="list-style-type: none"> different stakeholders in an organisation (i.e. manager, 	<p>–</p>	<p>Farquharson p.232-236 Stimpson p.76-77</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
organisation, difference between one-way, two-way, vertical and horizontal, problems associated	<p>worker, customer ,etc.)</p> <ul style="list-style-type: none"> • communication channels (1-way, 2-way, horizontal, vertical) • methods of communication (from the previous activity) • a variety of communication ‘aims’. <p>Put learners in pairs. Each pulls out a piece of paper from each category in turn and with the given information role-plays how the aim can be communicated. (P) (Basic)</p> <p>As each role-play takes place, the rest of the class takes notes and offers improvements to the process. On completion, discuss with the class how the different elements could be changed to make the communication better. (W) (Challenging)</p> <p>Using this information, then ask learners to come up with the most <i>inappropriate</i> communication channels and methods for:</p> <ul style="list-style-type: none"> • making a worker redundant • informing customers of a safety concern with a product • promoting a manager. <p>Finish with a class discussion about what it is that makes these communications so inappropriate and how this knowledge could be applied to a range of different business types. (W) (Challenging)</p> <p>Set a homework assignment such as Stimpson Progress Check G to consolidate learning. (H) (F)</p>		
Barriers to communication	Ask learners to suggest all the barriers to effective communication they can, and write these up on the board.	There is an opportunity in this section to develop learners interpersonal and	Farquharson p.231-233 Stimpson p.76

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>– attitudes, perceptions, noise, language, inappropriate medium, etc.</p>	<p>Then ask learners to mind-map this list into possible categories. (W)</p> <p>Develop understanding of this with a series of short mini-activities to exemplify different types of communication barriers such as.</p> <p><i>Physical barriers</i></p> <ul style="list-style-type: none"> – Chinese whispers: try to pass a message around a room – charades/Pictionary: communicating without using your voice <p><i>Perceptual barriers</i></p> <ul style="list-style-type: none"> – optical illusions (many are available on internet) – written messages that are ambiguous/commonly misread <p><i>Emotional barriers</i></p> <ul style="list-style-type: none"> – the reaction to text or social network messages when smilies and additions such as LOL are and are not added <p><i>Cultural barriers</i></p> <ul style="list-style-type: none"> – different colour associations, etiquette, etc. <p><i>Language barriers</i></p> <ul style="list-style-type: none"> – words that have more than one meaning (pants, chips, etc.). <p><i>Gender barriers</i></p> <ul style="list-style-type: none"> – differences in approaches to communication between women and men (most effective in a mixed group). (W) <p>To develop understanding further, ask one learner to step outside the room. Another learner then draws pictures of some simple things on a piece of paper such as a house, sun, tree, path.</p>	<p>communication skills beyond the Business syllabus.</p> <p>Since communication is an essential part of an examination, any development of skills may benefit learners in their examinations.</p> <p>KEY CONCEPT 1: CHANGE Barriers to communication change and the businesses and managers ability to adapt will be one of the key features to successful communication.</p>	<p>opin.ca/article/seven-barriers-communication</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>The learner outside the room then has to come back and replicate the picture without seeing it and only using instructions from the drawer. The communication can only be one way (no questions) and the drawer cannot see the progress being made. This can be repeated by building in more or different barriers as desired. (W)</p> <p>Conclude with a whole class discussion about how this activity can be applied to businesses. (W)</p> <p>Set a homework assignment such as Farquharson Activity 13.3 to consolidate learning. (H) (F)</p>		
<p>The role of management in facilitating communication – informal communication, improving communication, use to improve business efficiency</p>	<p>Ask learners to work through a case study on communication problems from a past paper or textbooks. This case study should have as its focus the role of management in improving communication to increase efficiency. (I) (Basic)</p> <p>Then ask learners to identify a situation where they think a business has communicated badly, provide recommendations on how to improve it and justify what this will deliver. (I) (Challenging)</p> <p>Learners share their ideas and discuss the importance of communication in a business in terms of efficiency. Then split the class into two groups – one looking at formal communication, the other informal communication. Ask each group to come up with examples of business scenarios where formal/ informal communication is essential to improving efficiency. (G)</p> <p>Set a homework assignment such as Farquharson Revision Case Study 2 to consolidate learning. (H) (F)</p>	<p>KEY CONCEPT 2: MANAGEMENT A good opportunity to discuss what role management has in establishing and maintaining successful communication.</p>	<p>Farquharson p.232-236 and p.238 Stimpson p.76-77</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Progress check – business communication	Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include: <ul style="list-style-type: none"> • Farquharson p.236-7 revision and case study questions • Stimpson p.78-9 revision and exam-style questions • Question 3 from Cambridge Past Paper 32 May/June 2012. (I or H) (F) 	–	Farquharson p.231-9 Stimpson p.66 Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk

Marketing (A Level)

Recommended prior knowledge

Learners should have studied the AS Marketing content before starting this topic and built up their basic analytical and evaluative skills during their studies.

Context

Learners will have developed their ability to analyse and evaluate marketing decisions through their work on the marketing mix at AS Level. Here they will expand these skills in terms of how to address a marketing strategy and how this fits with the wider business strategy of the organisation. By doing this, learners will also develop the essential understanding that marketing is about blending all the relevant objectives, research, resources and tools of the business to produce measurable outcomes. They will be apply this not only to domestic markets abut also to understand the benefits and costs of marketing on an international and global stage.

Outline

This unit builds on the marketing topics addressed at AS Level by looking at marketing planning in the context of a co-ordinated and strategic mix of market and product development, price and promotional elasticity and forecasting. By moving on to globalisation and international marketing, learners then have the opportunity to apply their marketing skills in a range of new and interesting contexts.

Teaching time

It is recommended that this section should take approximately 20% of the A Level course (10% of the whole AS and A Level programme).

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Marketing planning			
Market planning – the detailed marketing plan, associated benefits	<p>Hold a class discussion on a chosen business. Start by recapping the marketing mix elements covered at AS Level, and then stress that the marketing plan is more than this and should encompass:</p> <ul style="list-style-type: none"> the marketing objectives (and how they help the business achieve its overall objectives) the resources required to achieve the marketing objectives the research required to achieve the marketing objectives (and how the results of this research may change the 	<p>Choose a business for this activity where the marketing plan can either be known or guessed. A local, small business that learners know of may provide the best example.</p> <p>KEY CONCEPT 6: STRATEGY A marketing plan should be part of a strategy to achieve corporate objectives.</p>	<p>Farquharson p.241-346, p.340-1, p.344 Stimpson p.107-108</p> <p>businesscasestudies.co.uk/business-theory – choose 'Marketing, 'Marketing planning' and 'Marketing planning' again</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>objectives)</p> <ul style="list-style-type: none"> • how the elements of the marketing mix can be used to achieve the marketing objectives. (W) <p>Then put learners into groups, and ask them to analyse the benefits for a given business of having a marketing plan, producing a table prioritising the benefits identified. (G) (Basic)</p> <p>Ask each group to add the costs associated with developing the marketing plan to this table. (G) (Challenging)</p> <p>Conclude with a class discussion to highlight the key components, costs and benefits of a marketing plan and how this varies according to business type. (W)</p> <p>Set a homework assignment such as Question 5 from Cambridge Past Paper 32 May/June 2012 to consolidate learning. (H) (F)</p>		
Elasticity – the concept and its usefulness in various forms	<p>Recap the AS marketing mix content on elasticity. Then introduce and discuss the four additional relationships covered at A Level:</p> <ul style="list-style-type: none"> • income and demand • promotion and demand • demand for substitutes and demand • demand for complements and demand. (W) <p>Then ask learners to guess what a graph would look like for each (i.e. plot the relationship between the two variables). (I) (Basic)</p> <p>Then put the class into groups. Give each group a product</p>	<p>Elasticity is the relationship between two variables. It is often taught as an abstract topic with little relationship to the rest of the syllabus. Learners need context to make this a more memorable topic.</p> <p>Knowing the correct way to classify income elasticity goods (normal, superior and inferior) is important because it defines the relationship between income and demand.</p> <p>Use of the minus sign is vital in</p>	<p>Farquharson p.346-347 Stimpson p.108-109</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>and ask them to guess the following:</p> <ul style="list-style-type: none"> • whether the income elasticity of demand is positive inelastic (normal good), positive elastic (superior good) or negative (inferior good) • whether demand for good is likely to respond well to increased promotion (elastic response) or poorly to increased promotion (inelastic response). In reverse of course, is demand likely to respond to a decrease in promotion in the same way? • which goods are most likely to illicit a positive cross elasticity response (complements) and which are most likely to illicit a negative cross elasticity response (substitutes). (G) <p>On completion, each group reports to the rest of the class. (W)</p> <p>Set a homework assignment such as Question 5 from Cambridge Past Paper 31 May/June 2012 to consolidate learning. (H) (F)</p>	<p>calculating the elasticities covered in the A Level year.</p>	
<p>Product development – process from original conception to launch and beyond, why R&D is important</p>	<p>Introduce the product development process at Disney and focus on the three core processes – what, how, and why. (W)</p> <p>Then put learners in groups, and ask each to come up with a product to be sold in the school/college. Encourage them to base their creative process on the Disney one and to set up the required environment for each stage of the process. On completion, each group presents its ideas to the class. (G)</p> <p>Follow this up by asking learners to investigate a product which requires a large amount of research and development, such as mobile phones, blends of coffee, cars or medicines.</p>	<p>KEY CONCEPT 4: INNOVATION</p> <p>Innovation is essential in product development – but innovation doesn't just mean coming up with new product ideas, it also means adapting and refining existing products to extend their lifespan and market reach. A good example of this is washing machine powder – there is constant redevelopment of what essentially is soap for cleaning clothes.</p>	<p>Farquharson p.350-356 Stimpson p.110</p> <p>99u.com/articles/6993/brainstorming-20-making-ideas-that-really-happen</p> <p>www.huffingtonpost.com/2013/10/07/disney-pixar_n_4056840.html</p> <p>Disney Stories: Getting to Digital (Lee, Madef) p.113 (available free online at www.google.co.uk/books)</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>On completion, learners present their findings in a report or a poster for display. (I)</p> <p>Set a homework assignment such as Farquharson Activity 18.4 and/or Stimpson Progress Check D to consolidate learning. (H) (F)</p>		
<p>Forecasting – the need to forecast marketing data, calculating and using the moving average method to forecast sales</p>	<p>Pick a business which has an obvious cycle and is familiar to learners. This could be a seasonal cycle (e.g. ice cream sales), a cycle relating to fixed points in the year (e.g. accountancy services) or any other regularly repeating cycle (e.g. academic year). Use your chosen example as context to lead a class discussion on the need for forecasting within the business. (W)</p> <p>Then, using real or made-up data, get learners to calculate more and more complicated moving averages and extrapolate forecasts into the future. Start learners with odd period moving averages (i.e. 3, 5, 7 point moving averages) and when they are comfortable with the technique, move onto even point moving averages. Allow learners time to progress at their own speed (I)</p> <p>To extend the more able or mathematically minded learners, ask them to translate the calculations into a graph and extrapolate a line of best fit that can be compared with the smoothed moving average line. To do this, they should:</p> <ul style="list-style-type: none"> • add a column to the moving average table to allow for the calculation of cyclical variations in each time period • use the average cyclical variation to extrapolate data for the future • add this as a dotted line on to the graph. (I) (Challenging) 	<p>Moving averages will be a relatively simple task for some learners and very difficult for others, depending on their confidence with numerical techniques.</p> <p>Both odd and even point moving averages will be required. Even point moving averages must be centred to provide relevant data for use in forecasting.</p>	<p>Farquharson p.356-361 Stimpson p.111</p> <p>www.bbc.co.uk/schools/gcsebitesize/maths/statistics/representingdata3/hirev7.shtml</p> <p>www.tes.co.uk/teaching-resource/Moving-Averages-6193827/</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	Set a homework assignment such as Question 2 from Cambridge Past Paper 33 May/June 2012 to consolidate learning. (H) (F)		
Coordinated marketing mix – need for and development of a coordinated marketing mix, developing strategies focused on specific objectives	<p>Divide the class into groups of five learners. Give each group an unbranded product (e.g. box of tissues or unlabelled can) for which they will come with a coordinated marketing mix. Allocate one of the following roles to each learner in the group:</p> <ul style="list-style-type: none"> • learner 1 – price • learner 2 – product • learner 3 – promotion • learner 4 – place • learner 5 – makes sure the marketing mix achieves the stated marketing objectives (tell them what these are). <p>Then invite each group to carry out the following timed role-play:</p> <ul style="list-style-type: none"> • 0–10 mins: each learner develops their own part of the strategy – i.e. focuses on their allocated ‘P’ – while learner 5 makes sure the corporate objectives are understood and devises a strategy for managing/chairing the meeting • 10–30 mins: group meeting to discuss their ideas and debate the overall strategy. Learner 5 leads the meeting and makes sure each learner gives their point of view. Instruct each group to make sure each element blends with the others to achieve the stated objectives and remind them they might need to change some of the proposed elements to achieve this • 30–50 mins: each group designs a storyboard showing the process and outcome of their coordinated marketing strategy. (G) (Basic) 	<p>Differentiation can easily be built into this task by giving more complicated products or elements of the marketing mix to more able learners.</p> <p>Less able learners will often struggle to see the marketing mix as anything but a paragraph on each P. being able to blend the four together effectively is a key higher-level A Level year skill.</p> <p>KEY CONCEPT 3: CUSTOMER FOCUS</p> <p>Many marketing objectives have a strong focus on the customer. Therefore developing a coordinated market mix that best suits the customer is essential.</p>	Farquharson p.356-361 Stimpson p.111

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Progress check – marketing planning	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.362-5 case study and essay questions • Stimpson p.112-3 multiple choice and exam-style questions • Question 3 from Cambridge Past Paper 31 November 2012 • Question 3 from Cambridge Past Paper 32 November 2012. (I or H) (F) 	–	<p>Farquharson p.362-5 Stimpson p.112-3</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Globalisation and international marketing			
Globalisation – the economic concept and the implications for marketing of increased globalisation and economic collaboration	<p>Lead a class discussion on the differences and similarities between local, national and international marketing. (W) (Basic)</p> <p>Then choose an industry which operates at all three of these levels in your local economy, e.g. car sales, medical products/services, cleaning products. Ask learners to find examples of marketing at all three of these levels (this is most likely to focus on promotion but shouldn't be confined to this). How does the marketing change at each level? What are the similarities? On completion, learners present their findings to the class. (I) (Basic)</p> <p>Then ask learners to find an example of global marketing that has been adapted to local markets. Some examples may be:</p>	<p><i>Glocalisation</i> is a term for marketing a global product or brand by appealing to a local market. With the increased use of technology there are more and more examples of this happening.</p> <p>For the suggested activity on this, learners can find plenty of suitable TV adverts by doing an internet search.</p> <p>KEY CONCEPT 1: CHANGE Globalisation is a key area of change both historically and into the future – a growing number of products now have an international market reach and the</p>	<p>Farquharson p.366-367 Stimpson p.114-115</p> <p>en.wikipedia.org/wiki/Glocalization</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> local McDonalds that has developed their own poster to display a national promotion TV advert that is shown around the world with a different language voice-over promotions that reflect a local (or national) event, such as a religious celebration or sporting event. (I) (Basic) <p>On completion, learners present their findings to the class. (W)</p> <p>Finally, ask learners to find marketing that has been adapted for specific economic blocs, such as the EU, BRIC countries, MINT countries, etc. To extend more able learners, specify which trading bloc they should focus on. (I) (Challenging)</p> <p>On completion, learners present their findings to the class. (W)</p>	<p>internet provides many marketing opportunities and challenges for businesses.</p>	
<p>Strategies for international marketing – the importance of international marketing, market identification, selection and entry</p>	<p>Put learners in groups and give each group a familiar national product which does not have a large market outside its home country (e.g. Marmite in the UK or Twinkie in the USA). Ask each group to come up with a marketing strategy to break their product into a new international market. To do this, each group should:</p> <ul style="list-style-type: none"> identify and explain the barriers to entry in the new market identify and explain the marketing strategy for the product identify the competitors in the market evaluate the likely success of the marketing strategy. (G) <p>On completion, each group presents its analysis to the class. (W)</p>	<p>Find products for this activity which are known to your learners locally, but which are not well-known outside of the locality or country.</p> <p>KEY CONCEPT 6: STRATEGY This activity gives a good opportunity to focus on this key concept.</p>	<p>Farquharson p.368-374 Stimpson p.115-116</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	Set a homework assignment such as Question 5 from Cambridge Past Paper 31 May/June 2013 to consolidate learning. (H) (F)		
Strategies for international marketing – developing a global market strategy, influencing factors, maintaining the right balance of pan-global and local marketing	<p>Put learners in pairs with a given product and ask them to come up with a local marketing strategy and an international marketing strategy for it (work already undertaken in earlier activities can be built on here). Tell one of each pair to focus on the local strategy and the other the international strategy, and then ask learners to compare and contrast their individual strategies and come to a judgement about which would be more effective. (G)</p> <p>On completion, each pair presents their proposed strategies to the class for discussion and feedback. (W)</p> <p>Then put learners into groups of four. Focusing on a global brand/ business which they are already familiar (e.g. Coca-Cola, Ford, Microsoft, McDonalds), each learner looks at a different aspect of the marketing (local, national, international and global) and produces a campaign for their allocated level. The group then tries to amalgamate the four campaigns and tie them together with a clear overall marketing purpose. (G) (Challenging)</p> <p>On completion, each group presents to the rest of the class. While watching each group present, learners analyse their campaigns in terms of the balance between, local and pan-global marketing and feedback orally at the end of the presentations. (W) (Challenging)</p>	–	Farquharson p.368-374 Stimpson p.115-116
Progress check – globalisation and international	Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:	–	Farquharson p.375-6 Stimpson p.116-7

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
marketing	<ul style="list-style-type: none"> • Farquharson p.375-6 case study and revision questions • Stimpson p.116-7 multiple choice and exam-style questions • Question 5 from Cambridge Past Paper 33 May/June 2011 • Question 3 from Cambridge Past Paper 33 November 2013. (I or H) (F) 		Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk

Operations and project management (A Level)

Recommended prior knowledge

Learners should have studied the AS content on operations and project management before starting this topic and built up their basic analytical and evaluative skills during the course of their studies.

Context

Learners looked at methods of production and managing the inventory of a business at AS Level. In this unit the focus moves on to the efficient management of operations by cutting down on waste – whether in terms of time, costs, materials or capacity. By understanding the methods of reducing wastage and managing operations and projects in a more efficient way, learners will be able to recommend and justify improvements and evaluate decisions that other have already made.

Outline

This unit focuses on improving the efficiency of business operations through planning, capacity utilisation, lean production methods and quality control. Learners are then also given the opportunity to learn and utilise project management tools and apply these techniques with accuracy.

Teaching time

It is recommended that this section should take approximately 16% of the A Level course (8% of the whole AS and A Level programme).

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Operations planning			
Enterprise resource planning (ERP) – main features, how ERP can help improve business efficiency	Using the Wikipedia link to ERP software packages as reference, put learners into groups and allocate each group a different package. Without focusing on unnecessary technical data or specs, each group researches how these pieces of software can benefit a business and presents its findings to the whole class. (G) Set a homework assignment such as Farquharson Revision Case Study Question 3 to consolidate learning. (H) (F)	ERP combines a number of different elements of operations management. Learners do not need to be aware of any particular system or piece of software, but should now how ERP can solve a number of operational problems and lead to increases in efficiency for a business. KEY CONCEPT 6: STRATEGY Bringing together the many aspects of operations effectively requires planning and an implementation strategy to show how it will deliver benefit the business.	Farquharson p.412-7 Stimpson p.127-8 en.wikipedia.org/wiki/Enterprise_resource_planning en.wikipedia.org/wiki/List_of_ERP_software_packages www.google.co.uk – type ‘ERP’ into the images search tab www.excitingip.com/2010/advantages-

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
			disadvantages-of-erp-enterprise-resource-planning-systems/
Progress check – operations planning	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> Farquharson p.416-417 Stimpson p.128 (I or H) (F) 	–	Farquharson p.416-417 Stimpson p.128

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Capacity utilisation			
Measurement and significance of capacity – how to measure capacity, the implications of operating under or over capacity	<p>Using a concert/theatre venue or airline company as an example, ask learners to analyse the implications of operating under and over capacity. These businesses work to a fixed capacity (number of seats) and there are clear disadvantages to operating at or over capacity (queues, customer satisfaction) and under capacity (what are the minimum number of seats to be sold to break even?). (I)</p> <p>Set a homework assignment such as Question 1 from Cambridge Past Paper 33 May/June 2011 to consolidate learning. (H) (F)</p>	Learners can usually understand how a business can work under capacity, but struggle with the concept of operating over capacity in the short run.	<p>Farquharson p.430-436 Stimpson p.136-138</p> <p>www.tutor2u.net/business/production/capacity-utilisation.htm</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Increasing capacity utilisation – rationalisation,	Put learners in groups and give each one a separate business scenario they need to come up with a capacity solution for, e.g.:	<p>Using local or regional examples will help learners understand this topic.</p> <p>KEY CONCEPT 4: INNOVATION</p>	<p>Farquharson p.430-436 Stimpson p.136-138</p> <p>www.tutor2u.net/business/production</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
sub-contracting and other methods	<ul style="list-style-type: none"> restaurant which has limited demand during the week and too much at the weekends hotel which is overbooked in the summer but not in the winter train service which is too crowded at peak times pumpkin farmer who only has one harvest each year. <p>Learners then work together to mind-map ways in which a business could increase its capacity utilisation, including:</p> <ul style="list-style-type: none"> rationalisation sub-contracting other methods. (G) <p>On completion, each group presents their findings to the rest of the class and explains/justifies the solutions they propose. (W)</p>	Getting the most out of the capacity available and coming up with ways to increase it often requires an innovative approach.	/capacity-utilisation.htm
Outsourcing – benefits in a given situation	<p>Ask learners to investigate why outsourcing is used by their government (or other suitable government/example) and produce a table of benefits and costs to the government of its outsourcing. (I)</p> <p>Then put learners into groups. Using the link provided to the '12 most frequently outsourced business tasks', each group draws up a table showing the benefits and costs of outsourcing each task. (G)</p> <p>Then ask learners to use the following business examples to identify and explain in writing which businesses are most likely to want to outsource which services:</p> <ul style="list-style-type: none"> McDonalds 	<p>Many governments use outsourcing of public services.</p> <p>KEY CONCEPT 2: MANAGEMENT Many benefits and costs may be associated with outsourcing but the process must be managed and this is not always as easy as managing your own workforce.</p>	<p>Farquharson p.436-437 Stimpson p.138-139</p> <p>List of outsourced business tasks: www.wallstcheatsheet.com/breaking-news/the-12-most-frequently-outsourced-business-tasks.html/</p> <p>Media reports on outsourcing by UK government (search on internet for other/own country examples): www.bbc.co.uk/news/business-26567639</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> local clothes shop accountancy firm supermarket Microsoft firm of architects. (G) <p>To consolidate learning, set a homework assignment such as Stimpson Progress Check D. (H) (F)</p>		www.theguardian.com/public-leaders-network/2014/mar/28/outourcing-public-services-atos-risk-scandal
Progress check – capacity utilisation	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> Farquharson p.437-9 case study questions Stimpson p.140-1 multiple choice and exam-style questions Question 1 from Cambridge Past Paper 33 May/June 2011. (I or H) (F) 	–	<p>Farquharson p.437-9 Stimpson p.140-1</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Lean production and quality management			
Lean production – links with inventory and quality control, employee roles, capacity management and efficiency	<p>Lean production covers many techniques including JIT, TQM and Kaizen. To introduce the underlying concepts, put learners in groups and ask them to investigate waste in their own school/ college. Each group comes up with a waste improvement plan and designs a poster communicating ways in which reducing wastage would cut costs. (G) (Basic)</p>	<p>The basic reason for the implementation of lean production is to reduce costs. Learners need to be able to analyse the usefulness of lean production in improving profitability.</p> <p>KEY CONCEPT 5: CREATING VALUE Lean production is a way of creating value</p>	<p>Farquharson p.440-444 Stimpson p.142</p> <p>www.tutor2u.net/business/gcse/production_lean_methods.htm</p> <p>www.leanproduction.com/top-25-lean-tools.html</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Then ask learners to repeat this exercise in relation to a given business. If possible a visit to a factory to see lean production methods in operation would be useful for this, but if not choose an appropriate case study that would enable learners to apply their knowledge in a real business context. (I) (Challenging)</p> <p>Set a homework assignment such as Question 7 from Cambridge Past Paper 31 May/June 2010 to consolidate learning. (H) (F)</p>	<p>by reducing costs. Too often learners think of creating value as adding to the price, but it can equally be true of reducing the costs.</p>	<p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>Kaizen – continuous improvement in the context of lean production</p>	<p>Design a production line in the classroom for simple product, such as a greetings card. Learners take turns ‘working’ on the production line. Ask each learner in turn to come up with one small improvement, implement this and then run the production line again. Keep working until there are no more suggestions. (W)</p> <p>Set a homework assignment such as Farquharson Activity 24.2 to consolidate learning. (H) (F)</p>	<p>To fully analyse Kaizen, more able learners may wish to understand the opposite of continuous improvement. A good example of this is Business Process Re-engineering (BPR). This is not on the syllabus but may help these learners develop their understanding.</p> <p>KEY CONCEPT 4: INNOVATION Innovation does not have to be about massive leaps. Continually improving processes can be just as innovative.</p>	<p>Farquharson p.445-447 Stimpson p.143</p> <p>www.tutor2u.net/business/production/kaizen-quality-circles-continuous-improvement.html (Kaizen)</p> <p>en.wikipedia.org/wiki/Business_processes_reengineering (BPR)</p>
<p>Just in Time (JIT) – its implications and justification in the context of lean production</p>	<p>Learners often want to use JIT in every business context, but it is not always appropriate. Give a number of scenarios such as:</p> <ul style="list-style-type: none"> • dog food manufacturers – often have a stock of frozen raw materials but use JIT for packaging (such as cans and pouches) • house builders – the distinct phases (foundation, walls, roof, windows, etc.) mean JIT can be used for most of the materials 	<p>For more able learners, looking at an alternative system of stock control such as ‘Just in case’ would help them analyse JIT in the context of lean manufacture more fully.</p> <p>KEY CONCEPT 2: MANAGEMENT JIT adds many new management issues such as the need to manage the link between the business and suppliers</p>	<p>businesscasestudies.co.uk/exel – choose ‘Managing the supply chain for globally integrated products’</p> <p>www.brighthubpm.com/methods-strategies/71540-real-life-examples-of-successful-jit-systems/ (JIT)</p> <p>www.toyota-global.com/company/vision_philosophy</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> car tyre services – due to the size and range stock needed, JIT is used for everything except the most common tyre sizes. <p>For each context, ask learners to suggest how and why JIT may be appropriate or not in terms of achieving lean production. (I) (Basic)</p> <p>Follow this with a class discussion about the costs and benefits of JIT as a means of making production leaner. Mind map the results of the discussion on the board and ask learners to come up with examples of businesses where JIT may help achieve lean production and examples of where JIT would increase costs and therefore make lean production more difficult. (W) (Challenging)</p>	<p>carefully. It is not always going to be the right method for a business to achieve cost savings and therefore adopting it is a key management decision.</p>	<p>/toyota production system/ (Kanban)</p>
<p>Quality control and assurance – importance, methods, what the customer demands</p>	<p>Quality has a double meaning in business – quality in terms of branding and quality in terms of being fit for purpose. In this context, quality control and quality assurance are about making products and services which meet the needs of the consumer and are therefore fit for purpose. Discuss with the class the difference between the two different types of quality and make sure learners understand the difference, using the board to identify characteristics of each type of quality. (W) (Basic)</p> <p>Start by asking learners to identify what passes for being fit for purpose in terms of different products, such as:</p> <ul style="list-style-type: none"> bread – is a value brand of bread 'fit for purpose'? At what point does a loaf of bread become not fit for purpose? 	<p>The use of quality control or quality assurance (or in some cases both) is dependent on the context. A decision cannot be made without context and often there is no right answer, just what the learner can effectively argue. The products suggested in this activity for the class discussion on 'fit for purpose' can be used to help illustrate this point.</p> <p>KEY CONCEPT 3: CUSTOMER FOCUS Quality is about making products and services which are 'fit for purpose'. In essence this means meeting customers' minimum expectations.</p>	<p>Farquharson p.447-452 Stimpson p.144</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> • a car – discuss different quality issues in different countries • medicines – to what extent are side effects a quality issue? (W) <p>Once learners understand quality in terms of 'fit for purpose', put them into pairs, give each a different business context and ask them to debate whether quality control or quality assurance is more appropriate for that context. On completion, each pair briefly explains its conclusions to the class. (P) (Basic)</p> <p>Then hand out a list of businesses and ask learners to rank them by how important quality is to those businesses. Staying in their pairs, learners then compare their rankings and discuss the differences and similarities that arise and the reasons for them. (P)</p> <p>On completion, discuss with the whole class why some products and services have a greater need for quality than others. Focus again on deciding between quality control and quality assurance in different contexts – which method is likely to best meet customer needs in the most consistent way? Which method is likely to increase/decrease costs to the business? Which is the best to help the firm to achieve its lean production goals? (W) (Challenging)</p> <p>Set a homework assignment such as Farquharson Activity 24.3 and/or Stimpson Progress Check C to consolidate learning. (H) (F)</p>		
Quality control and assurance	Lead a class discussion about the link between training and quality in the production process using contexts	In the essay question, learners should argue both sides of the discussion.	Farquharson p.447-452 Stimpson p.144

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>– the link between quality and training</p>	<p>such as:</p> <ul style="list-style-type: none"> • medical services – why is training so intense compared to other services? • school – can better trained teachers offer higher quality service? • car manufacture – what skills might the workforce need to be trained in using? (welding, robotics, electricians, etc.) • food production – why is training important to meet quality standards? What are the consequences of poor training/quality? • carpenter – is there a link between the level of training/ experience and the quality of work produced? (W) <p>Then ask learners to answer the following essay question: 'To what extent is ongoing training essential to the quality of food produced in a fast food restaurant.' (I) (Challenging)</p>	<p>Arguments to support why training is important include health and safety, customer satisfaction and reduced costs. Arguments that 'ongoing' training is not necessary include:</p> <ul style="list-style-type: none"> • relatively low value product compared to high cost of training • low skill job with high staff turnover • does fast food consistently require quality standards higher than basic health and safety laws? 	
<p>Total Quality Management – its aims, effectiveness, the potential of Kaizen in TQM</p>	<p>TQM tends to be more common in large organisations. If there is one you can arrange a class visit to, investigating TQM in a familiar context would help learners considerably (there are good case studies in the suggested internet links and textbooks if not). (W)</p> <p>Using the visit or case study context, ask learners to produce a written report outlining the benefits that business gains by using TQM and any costs it incurs. (I) (Basic)</p> <p>Follow this with a class discussion on the importance of Kaizen in implementing a TQM approach, using</p>	<p>KEY CONCEPT 2: MANAGEMENT This activity gives a good opportunity to focus on this key concept.</p>	<p>Farquharson p.452 and p.454 Stimpson p.144</p> <p>www.tutor2u.net/business/production/quality_tqm.htm (TQM)</p> <p>www.brighthubpm.com/methods-strategies/72279-tqm-and-ford-motor-company/ (Ford)</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>additional business case studies to broaden the range of understanding. (W) (Basic)</p> <p>Extend more able learners by asking them how they would link the TQM approach to other areas of the A Level syllabus, such as:</p> <ul style="list-style-type: none"> • workforce planning • motivation • organisational structure • communication • training • marketing. (W) (Challenging) <p>Set a homework assignment such as Farquharson Activity 24.4 to consolidate learning. (H) (F)</p>		
Benchmarking – importance to quality control	<p>Put learners in groups and allocate each a different industry. Ask them to research the most common industry benchmarks for that industry, including any legally binding minimum quality standards that act as a benchmark, and report their findings to the class. (G)</p> <p>Then ask individual learners to look at the common industry benchmarks (appropriate to your country) for a specific item of equipment, such as a crash helmet, children's toy, seat belts or radio. Learners then write a brief report explaining:</p> <ul style="list-style-type: none"> • how the benchmarking process is important to quality control for that piece of equipment • why most firms adhere to that benchmark 	<p>For this activity, encourage learners to focus on industries and benchmarks in their own country. You can extend more able learners by asking them to go on to compare this with benchmarks used in other countries.</p> <p>KEY CONCEPT 1: CHANGE Businesses often strive to meet an industry benchmark only to find out the benchmark is changing. This is a good illustration for learners that the business environment constantly changes and will not wait for a business to catch up.</p>	<p>Farquharson p.455-456 Stimpson p.144-145</p> <p>www.ird.govt.nz/industry-benchmarks/ (industry benchmarking in New Zealand)</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> whether some firms in the market go beyond the industry benchmarks, and if so, why. (I) (Challenging) <p>Set a homework assignment such as Farquharson Activity 24.6 to consolidate learning. (H) (F)</p>		
Progress check – lean production and quality management	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> Farquharson p.458-61 revision and case study questions Stimpson p.145-6 multiple choice and exam-style questions Question 2 from Past Paper 31 November 2009 Question 4 from Past Paper 33 June 2010. (I or H) (F) 	–	<p>Farquharson p.458-61 Stimpson p.145-6</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Project management			
The need for projects and project management – projects as a response to the need for change, reasons and	<p>To introduce this topic, ask learners to identify future change in their own lives, such as moving out of home, going to university, getting married or starting their first job. Discuss as a class why changes like these need to be managed. What are the potential consequences of poor/no management of these changes? (W)</p> <p>Then give learners a business change context such as:</p>	<p>Give more complicated contexts to more able learners.</p> <p>KEY CONCEPT 2: MANAGEMENT The management of projects is an important skill and one that is prized by employers. Learners who can grasp these management techniques and apply them will find them useful in many walks of life.</p>	<p>Farquharson p.462-464 Stimpson p.147</p> <p>https://en.wikipedia.org/wiki/Project_manager</p> <p>www.apm.org.uk/WhatIsPM</p> <p>www.prince2.com/what-is-prince2</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>impact of project failure</p>	<ul style="list-style-type: none"> • legal changes which force new standards on a business • changes to the economic environment, i.e. recession • political changes in the government • technological changes • new competition in the market. <p>Ask learners to research these in more detail and:</p> <ul style="list-style-type: none"> • identify the reasons for change • identify the main elements of the change process that will require project management • identify and explain the main reasons why the project might fail • explain the consequences to the business if the project is not managed well. (I) <p>As part of this, encourage more able learners to investigate the main principles, processes and techniques of project management using the links provided as a starting point. (I) (Challenging)</p>		
<p>Network diagrams – main elements, constructing them from given data</p>	<p>Any activity which contains a set of smaller tasks can be split into a network. A good way to show this is to lead a class discussion where you work through and write up simple examples from everyday life (such as the morning routine or baking a cake). Ensure the examples you choose involve activities where there can be some overlap (i.e. tasks that can be done at the same time). (W)</p> <p>One valuable aspect of network diagrams is their ability to solve problems. Set learners a series of problems as</p>	<p>Network diagrams are not complicated as long as the knowledge is practised in simple scenarios first and learners only move onto more complicated data when they are comfortable with the process.</p>	<p>Farquharson p.464-470 Stimpson p.148-149</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>a puzzle solving activity, and ask them to construct networks and use these to identify the most efficient network to solve the problem. (I)</p> <p>Set a homework assignment such as Question 3a from Cambridge Past Paper 33 May/June 2011 to consolidate learning. (H) (F)</p>		
<p>Critical Path Analysis (CPA) – developing, interpreting and analysing results, use as a management tool</p>	<p>Give learners a completed network with activity durations included. To complete the CPA, instruct learners to:</p> <ol style="list-style-type: none"> 1. number the nodes 2. calculate EST's from left to right 3. calculate LFT's from right to left 4. mark on the critical path. (I) (Basic) <p>Then ask learners to calculate the total float and free float and explain what these figures mean to the business in reference to:</p> <ul style="list-style-type: none"> • flexibility • workforce planning • inefficiency • capacity. (I) <p>Then tell learners that one of the activities in the network has had an over-run, and give them the required data. Ask learners to analyse the effect on the critical path and floats. (I) (Challenging)</p> <p>On completion, consolidate learning by setting Question 4 from Cambridge Past Paper 33 May/June 2013. (I or H) (F)</p>	<p>Once learners have grasped how to construct networks from the previous activity, the process of critical path analysis can be taught.</p>	<p>Farquharson p.464-470 Stimpson p.148-149</p> <p>www.tutor2u.net/business/production/critical-path-analysis.htm</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Progress check – project management	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.471-2 case study questions • Stimpson p.149-51 multiple choice and exam-style questions • Question 7 from Cambridge Past Paper 33 November 2013. (I or H) (F) 	Other textbooks with suitable questions on this topic may be available.	<p>Farquharson p.471-2 Stimpson p.149-51</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Finance and accounting (A Level)

Recommended prior knowledge

Learners should have studied the AS Finance and Accounting unit first and built up basic analytical and evaluative skills during the course of their studies.

Context

At AS level, learners focused on the key financial and accounting terms and methodology. Here learners start using real financial data and accounts to inform and justify decision making, using data from a variety of sources to supplement the techniques they learn so they can come to more informed decisions. They develop a deeper understanding and analysis of the published accounts as well as the ability to know when numbers are not enough – especially in areas such as investment appraisal.

Outline

Learners will develop their understanding of costs and costing methodology to provide management data and inform decision making. The ability to forecast in terms of budgets and investment appraisal and to use this data in justifying and evaluating decision making is also important. Lastly learners will be expected to be able to use a much greater range of ratio analysis on the accounts to fully analyse from many different perspectives and come to judgements about the success of a business.

Teaching time

It is recommended that this section should take approximately 20% of the A Level course (10% of the whole AS and A Level programme).

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Costs			
Approaches to costing: full, contribution – uses and limitations of, the difference between the two and between contribution and profit	<p>Split the class into two groups, and give each group one of the two costing methods (full, contribution). Ask learners to identify as many businesses as they can which might benefit from using their given costing method, and explain for the businesses they list why they believe that costing method would be useful. (G)</p> <p>On completion, lead a class discussion between the groups about the businesses they identified and invite each group to argue the case for why they think their costing method would be better. (W)</p>	<p>Although the only costing methods required by the syllabus are full and contribution, many textbooks explore other methods of costing as well. Only use these with more able learners who want to go further than the syllabus.</p> <p>It might be useful to recap AS Finance and Accounting at this point. Remind learners that contribution only makes an addition to profit after break even.</p>	<p>Farquharson p.515-525 Stimpson p.168-170</p> <p>www.businessstudiesalevel.co.uk/Costing.pdf (some useful basic notes on costing methods)</p> <p>www.revisionworld.com/a2-level-level-revision/business-studies/accounting-finance-</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Then ask learners to do a written analysis of the uses and limitations of both costing methods in a range of contexts, e.g.:</p> <ul style="list-style-type: none"> • travel – how can the fixed cost of a bus/airplane be allocated to individual passenger prices • Coca-Cola – how can indirect costs be allocated across the range of drinks produced by the brand? • Apple – if costs for product development are allocated to each to product, how might this effect the perceived profitability of a new iPad? (I) <p>Extend more able learners here by asking them to include other methods of allocating costs (e.g. absorption costing and marginal costing) in their written analysis as well. (I) (Challenging)</p> <p>On completion, lead a class discussion on how different businesses and industries may choose to allocate costs in different ways. (W)</p> <p>Set a homework assignment such as Farquharson Activity 28.6, 28.9, 28.10 and/or 28.11 to consolidate learning. (H) (F)</p>		<p>marketing/budgeting/cost-analysis-decision-making</p>
<p>Solutions to costing problems – solving numerical problems, using contribution costing to help with order</p>	<p>Give learners an appropriate case study context together with the relevant numerical data on that business's:</p> <ul style="list-style-type: none"> • direct cost of production (per unit) • total indirect costs. <p>First, ask learners to calculate a price they can justify for the product/service described using the full costing method. (I) (Basic)</p>	<p>Learners need to be able to use numerical data as evidence to argue a case. Equally, they need to have sufficient confidence in doing this not to rely on numerical data as the only relevant evidence and argue for an alternative viewpoint where appropriate.</p> <p>Note: 'Accept/reject' decisions may be</p>	<p>Farquharson p.515-525 Stimpson p.168-170</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
decisions	<p>Then introduce a 'special order' that learners must make a decision about. This 'special order' should be at a lower price than the full cost, but higher than the marginal or contribution cost of production. Also stipulate some other appropriate benefits and costs arising from accepting or rejecting this order.</p> <p>Ask learners to provide a written recommendation and full justification about whether the business should accept this order. This includes identifying what further information might be needed to help inform the decision further and what they considered the key factors were in the decision they came to. (I) (Challenging)</p>	<p>referred to as 'special order decisions' in some textbooks.</p> <p>KEY CONCEPT 4: INNOVATION Accounting and finance is an area that many learners see as static. However innovation in costing can lead to businesses gaining contracts they may otherwise have lost – even finance can think 'outside the box'.</p>	
Progress check – costs	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.523-4 and p.526-7 revision and case study questions • Question 4 from Cambridge Specimen Paper 03. (I or H) (F) 	–	<p>Farquharson p.523-7</p> <p>Cambridge 2016 specimen papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Budgets			
The purposes of budgets – how budgets	Using the school/department budget or a similarly familiar setting, discuss with the class the processes by which the budget is developed and approved. (W)	Using a context that is familiar to learners is a good way to introduce the topic of budgeting, and the department	Farquharson p.553-557 Stimpson p.181-182

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>might be produced, the use of flexible budgets and zero budgeting</p>	<p>Then ask learners to produce a written analysis of:</p> <ul style="list-style-type: none"> • the constraints placed upon the department by the budget • the benefits of having a budget • whether the school would be better using a flexible or a zero based budgeting system, justifying their conclusion. (I) <p>On completion, put learners in pairs and ask each pair to think of and plan for a holiday they would like to take in the future. They should research and investigate all the costs involved and use this information to prepare and write up a budget for the holiday. (P)</p>	<p>budget for your teaching area is one good way to do this if appropriate.</p> <p>KEY CONCEPT 2: MANAGEMENT Emphasise that budgeting is a management process.</p>	<p>www.s-cool.co.uk/a-level/business-studies – choose ‘Budgeting, costing and investment’ and then ‘Revise it: budgeting’</p>
<p>The purposes of budgets – benefits and drawbacks, use for allocating resources, controlling and monitoring a business, use for appraising business performance</p>	<p>Using the holiday budget prepared in the previous section, ask learners in their original pairs to analyse and produce a table of the benefits and drawbacks of having that budget. (P) (Basic)</p> <p>Then put learners into groups and ask them to take the part of the holiday business the holiday will be booked through. Each group thinks about how they prepare their budgets for the year and develops budget lines for all the key elements, such as:</p> <ul style="list-style-type: none"> • pre-booking airline seats • pre-booking accommodation • employing holiday representatives • marketing • revenue gained from selling package holidays • revenue gained from selling excursions. (G) 	<p>For the challenging task, some businesses where budgeting might be more difficult include:</p> <ul style="list-style-type: none"> • seasonal businesses, such as farms, tourist businesses etc. • fashion clothing businesses • businesses who are greatly affected by external influences such as airlines, house builders etc. 	<p>Farquharson p.557 Stimpson p.182</p> <p>www.tutor2u.net/business/accounts/introduction-to-budgets.htm</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>For each budget line, learners then provide a written explanation of the main problems that would occur if a rigid budget was set. (I)</p> <p>Challenge more able learners to investigate other business types where budgeting is more difficult and explain how the business could still make effective use of budgeting. (I) (Challenging)</p> <p>Keeping learners in their groups, ask them to create a mind-map of the reasons for budgeting based on the following 'spokes':</p> <ul style="list-style-type: none"> • allocating resources • controlling the business • monitoring the business • measuring/appraising the business performance. <p>Each group takes one spoke and draws its mind-map on how budgeting can achieve that objective on the board. (G) (Basic)</p> <p>Set a homework assignment such as Stimpson Progress Check B to consolidate learning. (H) (F)</p>		
<p>Variances: adverse, favourable – the meaning of variances, their calculation and interpretation</p>	<p>Give learners pre-prepared revenue and cost data and ask them to calculate simple variances, identifying in each case whether the variance is favourable or unfavourable to the business. (I) (Basic)</p> <p>Then give learners a business case study that includes forecast and actual figures for a variety of budgets, including both revenue and cost budgets. Ask them to produce a written analysis of the variances in the context of that business. (I) (Basic)</p>	<p>Variances are not useful without at least some basic analysis of their effect on the business. Identifying a variance as adverse or favourable also depends on recognising the type of budget (revenue or cost).</p> <p>Some textbooks use the terms 'positive'/'negative' but learners should always use 'adverse' and 'favourable'.</p>	<p>Farquharson p.557-560 Stimpson p.182-183</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Follow this by asking learners to investigate a business and identify in a brief written report the most common reasons for variances in that business, for example fashions/trends, energy prices, labour costs. (I) (Challenging)</p> <p>Set a homework assignment such as Stimpson Progress Check C to consolidate learning. (H) (F)</p>	<p>Any business learners have already looked at would be suitable for the tasks to be undertaken in this activity.</p> <p>Note: learners are not required to calculate and interpret price/volume variances for this syllabus.</p>	
Progress check – budgets	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions to set include:</p> <ul style="list-style-type: none"> • Farquharson p.560-2 case study and revision questions • Stimpson p.183-4 multiple choice and exam-style questions • Question 3a from Past Paper 31 May/June 2011. (I or H) (F) 	–.	<p>Farquharson p.560-2 Stimpson p.183-4</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Contents of published accounts			
The income statement – amending from given data, the impact of a given change	<p>Hand out a completed income statement. Discuss the elements it contains and what it shows about the business. (W) (Basic)</p> <p>Then give learners a set of changes to make to the income statement. Start with simple changes but increase the complexity as they progress. Learners can race to see who comes up with the correct bottom line figure quickest. (I)</p>	<p>This is a good opportunity to revise the content of an income statement from the AS content.</p> <p>KEY CONCEPT 5: CREATING VALUE The income statement is the story of how much value a business has managed to create in a year.</p>	<p>Farquharson p.563-564 Stimpson p.185</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>To add challenge, link this to the previous topic on budgeting and hand out the forecast budgets and actuals that go with the forecast income statement. Ask learners to:</p> <ul style="list-style-type: none"> • calculate the variances • analyse the variances • change the income statement • recalculate the bottom line profit • analyse in writing the variance in profit. (I) (Challenging) <p>Conclude with a whole class discussion on what impact the changes learners made to the income statement would have on the business as a whole and to its different stakeholders. (W)</p> <p>Set a homework assignment such as Question 2 from Cambridge Past Paper 31 November 2013 to consolidate learning. (H) (F)</p>		
<p>The statement of financial position – amending from given data, the relationship to the income statement, the impact of a given change in valuing non-current assets or inventories</p>	<p>Hand out a statement of financial position. Discuss the elements it contains and what it shows about the business. (W) (Basic)</p> <p>Then give learners a set of changes to make to the statement of financial position. Start with simple changes but increase the complexity as they progress. Learners can race to see who comes up with the correct bottom line figure quickest. (I)</p> <p>Learners now have a completed and correctly amended income statement (from the previous activity) and statement of financial position (from this activity). Use these to lead a whole class discussion about what can be stated and assumed about the business from these documents. (W) (Challenging)</p>	<p>When looking at the income statement and statement of financial position together, highlight the items that are treated differently depending on where they appear, such as:</p> <ul style="list-style-type: none"> • depreciation – a deduction in the income statement and a provision in the statement of financial position • retained profit – a cash flow into the business in the income statement and a record of equity owned by the shareholders in the statement of financial position. (W) 	<p>Farquharson p.565-568 Stimpson p.185-186</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Also discuss as a class the importance of valuing assets in the statement of financial position, including the following questions:</p> <ul style="list-style-type: none"> • why should businesses value non-current assets accurately? • what different ways are there to value an inventory? • why might inventories lose value over time? • how could changes in the valuation of non-current assets and inventories impact the stakeholders of the business and the business itself? (W) (Challenging) <p>Set a homework assignment such as Farquharson Activity 31.2 and/or Stimpson Progress Check B to consolidate learning. (H) (F)</p>	<p>KEY CONCEPT 1: CHANGE Read properly, the changes in a statement of financial position show the changes that a business has been through from one year to the next.</p>	
<p>Inventory valuation – the difficulties of valuing inventory, the net realisable value method</p>	<p>Start by recapping learning on inventory costing and inventory management from AS Finance and AS Operations. (W)</p> <p>Then give learners a number of different industries and ask them to identify and explain why inventory valuation may be difficult in each industry. Suitable examples to look at could include:</p> <ul style="list-style-type: none"> • used car industry • house building industry • food manufacture • computer sales. (I) <p>Follow this by putting learners into groups to discuss the difficulties involved in valuing unfinished goods or raw materials, such as:</p>	<p>Note: although many textbooks refer to LIFO (last in, first out) and FIFO (first in, first out), knowledge of these methods is not required for the exams.</p>	<p>Farquharson p.566</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> • small business furniture maker has a significant amount of wood in their inventory • restaurant with a significant amount of raw food in the freezer. <p>At a suitable point, introduce the net realisable value method and give groups some basic calculations to complete. Groups then discuss the benefits and difficulties in using this method and present their feedback to the rest of the class. (G) (Challenging)</p> <p>Conclude with a whole class discussion on the different elements of the inventory, drawing together both the operations and accounting elements. (W)</p>		
Depreciation – its role in the accounts, its impact on the income statement and statement of financial position	<p>Start with a class discussion about the need to depreciate assets. Ask learners why they would rather have a car that is new over a car that is a week old. Discuss why assets lose value. Link this to the need for accounts to provide a 'true and fair' view of the business. (W) (Basic)</p> <p>Then hand out the following data for a suitable business:</p> <ul style="list-style-type: none"> • book (original) value of the asset • residual value (if any) • lifetime. <p>Ask learners to calculate the annual depreciation using the straight line method. (I) (Basic)</p> <p>Then, to help learners understand the limitations of this method of depreciation, ask them to:</p>	<p>Depreciation has a dual role in accounts (as a provision and deduction) as discussed earlier. Learners need to understand both roles.</p> <p>Note: learners are only required to use the straight line method of calculating depreciation for this syllabus. However, more able learners may also find the reducing balance method and its application interesting and useful.</p> <p>Useful examples for comparing straight line and reducing balance methods of depreciation include:</p> <ul style="list-style-type: none"> • a photocopier, because it is used at a constant rate and has a fairly 	<p>Farquharson p.567-570 Stimpson p.186-187</p> <p>www.tutor2u.net/business/accounts/assets_fixedassets_depreciation.asp</p> <p>www.whatcar.com/car-depreciation-calculator/ (car depreciation calculator)</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> research the prices for a basic/standard make of car at different ages (e.g. one year old, two year's old etc.) analyse what happens to the value of the car at the beginning of its life, compared to the end. (I) <p>On completion, discuss the finding as a class. (W)</p> <p>Ask more able learners to try the reducing balance method of depreciation as well and analyse in writing its benefits and limitations compared to the straight line method. (I) (Challenging)</p> <p>Finally, learners need to show the impact of depreciation on the income statement and statement of financial position. To do this, give learners a set of accounts with no provision for depreciation. Ask them to calculate the required depreciation and then recalculate the bottom line figures for the statements, providing a short written analysis of the effect on Net Profit and Net Assets. (I)</p> <p>Set a homework assignment such as Farquharson Activity 31.4 and/or Stimpson Progress Check C to consolidate learning. (H) (F)</p>	<p>evenly reducing value (straight line)</p> <ul style="list-style-type: none"> a computer, because it loses a lot of value as soon as it is sold but is likely to continue performing for several years (reducing balance). 	
Progress check – contents of published accounts	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> Farquharson p.572-3 case study and revision questions Stimpson p.187-8 multiple choice and exam-style questions Question 2 from Cambridge Past Paper 33 May/June 2011 Question 2 from Cambridge Past Paper 31 November 	–	<p>Farquharson p.572-3 Stimpson p.187-8</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	2013. (I or H) (F)		

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Analysis of published accounts			
Profitability ratio – return on capital employed	<p>Hand out a set of business accounts and ask learners to calculate the return on capital employed (ROCE) ratio together with a written analysis from the following stakeholder perspectives:</p> <ul style="list-style-type: none"> owners – the most obvious user of ROCE managers – more likely to use day-to-day figures than published accounts, but may be held responsible for changes employees – may be looking for job security customers – unlikely for many businesses, but where there is a large financial commitment to purchase, a customer may wish to know about the ROCE. (I) <p>Set a homework assignment such as Farquharson Activity 32.1, 32.3 and/or Stimpson Progress Check C to consolidate learning. (H) (F)</p>	<p>Choose a set of accounts that learners can use throughout this whole topic to calculate profitability, financial efficiency, gearing and investor ratios and trends over time. Ideally this will be for a business they already know.</p> <p>The difference between profit and profitability is an important one – learners should not use these terms interchangeably.</p> <p>KEY CONCEPT 2: MANAGEMENT All of the ratios are highly useful tools for managers to base decisions on.</p>	Farquharson p.575-585 Stimpson p.189-193
Financial efficiency ratios – inventory turnover, days' sales in receivables	<p>Using the same set of accounts as for the previous activity, ask learners to calculate the inventory turnover and the days' sales in receivables. (I)</p> <p>On completion, discuss the results and the trends over time with the class to ensure they understand what each result identifies about the business. (W) (Basic)</p>	Days' sales in receivables is often referred to as 'debtor days'.	Farquharson p.575-585 Stimpson p.189-193

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Then challenge more able learners to identify and discuss with the whole class:</p> <ul style="list-style-type: none"> businesses/industries where you might expect a very low or high inventory turnover businesses/industries where you might expect a very short or long period for days' sales in receivables. (I) (Challenging) 		
Gearing ratio Investor ratios	<p>Using the same set of accounts as the previous activity, ask learners to calculate the gearing ratio and shareholder/investor ratios (dividend yield, dividend cover and price/earnings ratio). (I)</p> <p>On completion, discuss what could be considered highly geared (more than 50%) and low geared (less than 50%). Also discuss what might be acceptable in terms of dividend yield, cover and P/E ratio. What might the shareholders do if these are too low? (W)</p> <p>Then ask learners to identify and discuss how the gearing and investor ratios may affect the following areas of the business:</p> <ul style="list-style-type: none"> potential shareholders/investors current owners sources of finance (especially gearing). (W) (Basic) <p>Follow this with a class discussion on how the managers of a business may still try to encourage investment despite poor gearing and shareholder ratios. (W) (Challenging)</p> <p>Set a homework assignment such as Farquharson Activity 32.2 to consolidate learning. (H) (F)</p>	<p>All the usual definitions of gearing ratio can be used, e.g. Debt/Equity and Debt/(Debt + Equity) – it is the interpretation of the calculation that is important when selecting a source of finance.</p>	<p>Farquharson p.575-585 Stimpson p.189-193</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
<p>Practical use of ratio analysis – uses and limitations, reasons for the results obtained, strategies to improve ratio results, comparing ratio results between businesses</p>	<p>Ask learners to carry out a research project on the accounts of a suitable business. Their finished report should contain:</p> <ul style="list-style-type: none"> • a description of the context of the business • calculation of the following types of ratios over two years: <ul style="list-style-type: none"> – profitability – liquidity – efficiency – shareholder – gearing • explanation of the trends in the ratios between the years • analysis of the business from at least three stakeholders' perspectives (e.g. owners, managers, potential investors) • an evaluation of the success of the business. (I) (Challenging) <p>On completion, put learners into groups to compare their reports and ratio results with each other. (G)</p> <p>Hand out a set of less encouraging accounts and put learners into groups. Ask them to calculate all the appropriate ratios and recommend strategies to improve the results. (G) (Challenging)</p> <p>Now hand out background for that business and ask each group what information they can now use to analyse the business better. Groups then produce a table setting out the limitations of just using just the accounts to appraise a business. (G) (Challenging)</p> <p>On completion, each group feeds back to the class which uses this to produce a definitive table of limitations. (W)</p>	<p>Many large limited companies in particular publish their accounts on line. Encourage learners to select a business type or sector in which they have a particular interest or familiarity, but also make sure the accounts they use have the technical financial notes and sections not relevant to this syllabus removed before starting.</p> <p>The accounts you have been using so far for this topic are likely to be those of successful businesses. However learners must be able to recommend strategies to improve results as well, so for the final two group tasks, hand out a set of relatively poor accounts. If there are no obvious 'real world' examples, Cambridge Past Paper 3 questions often include a set of fictional accounts you can base this on.</p>	<p>Farquharson p.575-585 Stimpson p.189-193</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>Progress check</p>	<p>Enable learners to recap and consolidate learning at the end</p>	<p>–</p>	<p>Farquharson p.585-9</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
– analysis of published accounts	<p>of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.585-9 case study, revision and essay questions • Stimpson p.193-4 multiple choice and exam-style questions • Question 4 from Cambridge Past Paper 31 November 2012 • Question 4 from Cambridge Past Paper 32 November 2012 • Question 2 from Cambridge Specimen Paper 3. (I or H) (F) 		<p>Stimpson p.193-4</p> <p>Cambridge 2016 specimen papers, past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Investment appraisal			
The concept of investment appraisal – the need for investment appraisal, the significance of risk in investment decisions	<p>Ask learners what they would invest in if they had a substantial sum of cash (state whatever seems reasonable to buy a significant investment). The investment does not need to be shares, but could be an antique, a piece of technology or anything learners think would bring in more revenue than the original cost. (I)</p> <p>Then put learners in groups and ask them to analyse each other's planned investment and research the likely returns they would get from their investments. The group as a whole then makes a judgement on which of the proposed investments to support. (G)</p>	<p>Investment appraisal should not just be a numerical technique, but also encompasses qualitative factors. Learners should be able to argue using the numerical data and the context of the business.</p> <p>KEY CONCEPT 5: CREATING VALUE Risk and reward is the most obvious way of creating value. The greater the risk the greater the potential reward and value created.</p>	<p>Farquharson p.590-592 Stimpson p.195-196</p> <p>www.thestudentroom.co.uk/wiki/revision:investment_appraisal</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>As a class, then debate which of the proposed investments would:</p> <ul style="list-style-type: none"> • have the highest risk – why? • bring in the most revenue. (W) <p>Follow this by putting learners into groups. Give each one a well-known business for them to find out and discuss:</p> <ul style="list-style-type: none"> • what investments that business has made in the past (e.g. new shop openings, new machinery/techniques, etc.) • what they might be planning to invest in in the future • why businesses invest, what they hope to achieve and why they take the risks • how can investment appraisal help them make the decision about whether to invest or not <p>Each group should produce a table of the likely benefits and costs of the investment resulting from this analysis and present its findings to the whole class. (G) (Challenging)</p> <p>Set a homework assignment such as Farquharson Activity 33.1 and/or Stimpson Progress Check A to consolidate learning. (H) (F)</p>		
Basic methods: payback, accounting rate of return (ARR) – the meaning, calculation and interpretation of these two terms	<p>Introduce the terms ‘payback’ and ‘ARR’ and what they mean. (W)</p> <p>Then hand out suitable data and ask learners to calculate both payback and ARR. Start with simple examples and, once learners understand the basic methodology, move on to more complicated figures. (I) (Basic)</p>	–	<p>Farquharson p.592-595 Stimpson p.196-7</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Follow this by putting learners in groups and giving each one three investments with different payback periods and ARR. Ask the groups to discuss which of the investments they would choose to invest in and why. (G) (Basic)</p> <p>Ask more able learners to also discuss what other information is required before an investment can be fully appraised and what they see as the limitations of the payback and ARR methods (G) (Challenging)</p> <p>Conclude with a class discussion to focus on the key points. (W)</p> <p>Set a homework assignment such as Question 4 from Cambridge Past Paper 32 November 2009 to consolidate learning. (H) (F)</p>		
Discounted cash flow methods: discounted payback, net present value (NPV), internal rate of return (IRR) – the meaning, calculation and interpretation of these methods	<p>Start by asking learners whether they would prefer \$100 now or in a year's time. They should say they would prefer the cash now. Then say that due to the rate of return, they can choose between \$90 now or \$100 in a year and then an increasing time interval. Given an assumed inflation rate or rate of return from another investment option, at what point would learners prefer the \$100? This is the basis for discounted cash flow. (W)</p> <p>Then hand out suitable data and ask learners to calculate the discounted payback, IRR and NPV amounts. Start with simple examples and, once learners understand the basic methodology, move on to more complicated figures. (I) (Basic)</p> <p>Once learners are confident with the calculations, put them into groups and hand out a set of investments (three is</p>	<p>Discounting cash flows allows for the combination of time and profitability of an investment to be taken into account.</p> <p>Less able learners can struggle with discounted cash flow techniques so give them plenty of time to practise these calculations.</p> <p>For the group activity, it is best to give learners the NPV and IRR rather than asking them to calculate it so they can focus on the key requirement of analysing and evaluating the data, without some groups making errors in the initial calculations</p>	<p>Farquharson p.595-601 Stimpson p.197-198</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>enough) with the relevant NPV and IRR data. Each group analyses and discusses the supplied data and comes to a recommendation about which of the three investments the business should pursue. (G) (Basic)</p> <p>Set a homework assignment such as Question 2 from Cambridge Past Paper 32 May/June 2011 to consolidate learning. (H) (F)</p>	<p>Note: questions requiring calculation of IRR will not be set in the exam.</p>	
<p>Qualitative factors in investment appraisal – how they can influence an investment decision, comparison of appraisal methods and limitations</p>	<p>Hand out a suitable case study of a business with a range of potential investment decisions, and ask learners to analyse and evaluate the quantitative and qualitative factors involved. They should then recommend and justify in writing which investment decision the business should make. (I)</p> <p>Then put learners into groups to evaluate each other's written recommendations, identify what each fellow learner has done well and what could be improved in their analysis and evaluation. (G)</p> <p>Conclude with a class discussion on the whole topic of investment appraisal. As part of this, ask learners to produce a mind-map of the topic including all the numerical techniques and the most common qualitative factors encountered. (W)</p>	<p>Investment appraisal should not just be a numerical technique, but also encompasses qualitative factors. Learners should be able to make a case using both the numerical data and the background context of the business.</p> <p>Quantitative factors are based on numbers and calculations, whereas qualitative factors are based on non-numerical data, context and other issues which cannot be quantified.</p> <p>Cambridge Past Paper 3 questions often contain examples learners can use for the individual task in this activity.</p> <p>KEY CONCEPT 2: MANAGEMENT Management is about using figures, but also knowing when the numbers are not enough. Good managerial decision-making is based on both quantitative and qualitative factors.</p>	<p>Farquharson p.600-602 Stimpson p.198</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Progress check – investment appraisal	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.602-4 case study and revision questions • Stimpson p.198-200 multiple choice and exam-style questions • Question 2 from Cambridge Past Paper 32 November 2012. (I or H) (F) 	–	<p>Farquharson p.602-4 Stimpson p.198-200</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Strategic management (A Level)

Recommended prior knowledge

Learners should have studied all of the AS and A Level content from all the previous units before attempting strategic management and built up good analytical and evaluative skills during the course of their studies.

Context

This unit is about bringing together all the prior elements of the course and using them to make effective decisions for that business context – a process that helps to simulate the role of strategic management itself. As part of this, learners will look at how to make decisions that span many years and the role such strategic decision-making plays in realising the core business's objectives. They will draw on all their business knowledge to do this and learn how to pull this together into a plan that is realistic for the given context and justified by the evidence provided.

Outline

Drawing on the whole A Level Business course, learners will be expected to plan for new strategies, recommend and justify how to implement them and be able to review and analyse existing strategies in context.

Teaching time

It is recommended that this section should take approximately 16% of the A Level course (8% of the whole AS and A Level programme).

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
What is strategic management?			
Understanding what strategic management is – meaning of corporate strategy, tactics and strategic management, the need for strategic management	To show the difference between strategy and tactics, use or adapt the following sporting analogy. A football team will have a set of objectives for the season. To achieve these, the team will have strategies which encompass a number of matches, such as the formation and which players are used in which matches. This is in contrast to tactics, which happen only on match day and adapt to the way each match is unfolding. (W) Then put learners in groups and ask them to think of an activity or sport which uses both strategy and tactics. They need to show how the objectives of the team/group lead to a set of strategies and then onto specific tactics. The	Strategy is one of the most important aspects of the A2 course, because it brings together all the aspects of Business that learners have studied. Time spent looking at what strategy actually is, is well spent and any examples in or out of a business context will help develop learners' understanding. KEY CONCEPT 6: STRATEGY Throughout this unit, strategy must be	Farquharson p.608-614 Stimpson p.201-204 tutor2u.net/business/strategy/what_is_strategy.htm www.youtube.com – type 'strategic management', 'Michael Porter' and similar terms into the search field

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>activities do not need to be sports-based but learners should use real examples to show their understanding of the terms. (G)</p> <p>Learners then produce a brief report explaining their findings. (I)</p> <p>Follow this with a class discussion about the way in which strategy and tactics combine in a business scenario. Why does a business need to manage strategy and implement tactics? What might happen if a business did not effectively manage their strategy? Use the class discussion to produce a mind map of the benefits and costs of strategic management on the board. (W)</p> <p>Set a homework assignment such as Farquharson Activity 34.1 to consolidate learning. (H) (F)</p>	<p>one of the key focal points.</p> <p>KEY CONCEPT 2: MANAGEMENT Likewise management runs throughout the unit.</p>	
Understanding what strategic management is – Chandler’s assertion	<p>Introduce Chandler’s assertion as a focus for defining strategic management and follow with a whole class discussion. (W)</p> <p>Then put learners into groups and give them one potential strategy for the school/college, such as growth, improving exam results or becoming more well-known in the local area/internationally.</p> <p>Each group then decides on a structure for the school/college based on implementing that strategy – so they are not constrained in their thinking, tell them they can completely redesign the school/college from scratch. On completion, each group presents their conclusions to the rest of the class. (G) (Challenging)</p>	<p>Chandler’s assertion is strategy should determine organisational structure.</p> <p>Use the strategic vision for your school/college as a basis for a suitable strategy for the group activity.</p> <p>For the whole class discussion, McDonalds is one potential business to look at as it has a geographical/ regional organisational structure to reflect the different strategies they employ in different regions, and they also use a franchise structure to support their growth strategies. See the link provided for more information.</p>	<p>en.wikipedia.org/wiki/Structure_follows_strategy</p> <p>www.mcdonalds.co.uk/ukhome/People/Schools-students.html</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	Then choose a business familiar to learners to focus on as a class. Discuss the extent to which the structure of that organisation has been determined by their business strategy and develop an annotated organisation chart during the discussion that explains the structure in terms of the strategies employed. (W) (Challenging)		
Understanding what strategic management is – how business strategy determines competitive advantage	Put learners into pairs and give each a different industry to focus on. Ask each pair to investigate two leading businesses within that industry (one per learner). Each learner identifies how the strategy for their business led to the competitive advantage it established. Each pair shares their work and develops conclusions on both businesses, presenting their findings to the rest of the class. (P) Follow this with a class discussion to compare the information that has been presented. Cover the importance of competitive advantage and the role strategic management plays in planning and establishing this. (W)	Possible examples to focus on include: <ul style="list-style-type: none"> • Pepsi vs Coca-Cola (soft drinks) • Emirates vs Etihad (airline market) • Disney vs Time Warner (film studios) • Vodafone vs EE (mobile networks). You can build in differentiation by giving able learners more difficult industries. KEY CONCEPT 5: CREATING VALUE Competitive advantage creates value above and beyond that which your competitors can create.	Farquharson p.608-614 Stimpson p.201-204 www.tutor2u.net/business/strategy/competitive_advantage.htm en.wikipedia.org/wiki/Competitive_advantage www.google.co.uk – type terms such as ‘Strategy’ and ‘Competitive advantage’ into the images search tab
Progress check – what is strategic management?	Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include: <ul style="list-style-type: none"> • Farquharson p.614-5 revision and essay questions • Stimpson p.205 exam-style questions • Question 7 from Past Paper 31 November 2011. (I or H) (F) 	–	Farquharson p.614-5 Stimpson p.20 Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Strategic analysis			
<p>SWOT analysis – undertake and interpret SWOT, develop the analysis into strategic objectives</p>	<p>As a class, start a SWOT of the school/college. Use the board to produce and structure a list of the strengths, weaknesses, opportunities and threats that learners identify. (W) (Basic)</p> <p>Then ask learners to produce a written strategy based on one or two strengths, weaknesses, opportunities and threats from the completed SWOT, such as.</p> <ul style="list-style-type: none"> • a strategy to overcome a weakness using an opportunity • a strategy to address a threat with a strength. (I) (Challenging) <p>Then put learners into groups and ask them to analyse a local business using a SWOT framework and produce a written strategy for the future based on this analysis. (G) (Challenging)</p> <p>Set a homework assignment such as Question 6 from Cambridge Past Paper 31 May/June 2012 to consolidate learning. (H) (F)</p>	<p>SWOT (strengths, weaknesses, opportunities, threats) is a well-known but sometimes misused technique. Identifying strengths, weaknesses, opportunities and threats is only the first step – more important is being able to use the findings to develop a strategy.</p> <p>This activity could be done at the same time as the following activity on PEST analysis by splitting the class into two – half doing SWOT and half doing PEST.</p> <p>KEY CONCEPT 1: CHANGE Threats and opportunities both represent potential changes to the business environment.</p>	<p>Farquharson p.618-620 Stimpson p.206-207</p> <p>www.mindtools.com/pages/article/newTMC_05.htm (article)</p> <p>bigmacvswhooper.wordpress.com/2013/11/01/swot-analysis/ (SWOT analysis of burger/fast food market)</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>PEST or External environment analysis – undertake and interpret PEST in a given situation</p>	<p>As a class, discuss the PEST influences on the school/college and use the board to produce a list of the political, economic, social and technological influences identified. (W) (Basic)</p> <p>Then ask learners to identify one or two of the most important PEST influences on the school/college and write a strategy to overcome them. (I) (Challenging)</p> <p>Then put learners into groups to analyse a local business</p>	<p>PEST (political, economic, social and technological) is a well-recognised form of analysis on the external influences facing a business. Like SWOT the important aspect in terms of Strategic Management for PEST is to use the outcome to form and analyse strategy.</p> <p>Many textbooks use PEST, however there are some external influences not</p>	<p>Farquharson p.620-621 Stimpson p.207-208</p> <p>www.businessballs.com/pestanalysisfreetemplate.htm (online tools)</p> <p>www.google.co.uk – type ‘PEST analysis’ into the images search tab.</p> <p>Cambridge past papers and</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>using the PEST framework and devise a strategy to overcome the most important influences they identify. On completion, each group presents its findings to the rest of the class. (G) (Challenging)</p> <p>Follow this with a class discussion on how SWOT and PEST can be used together to provide information to a business for planning future strategies. Also use this discussion to collectively produce a mind map of the advantages and disadvantages of SWOT and PEST analysis. (W) (Challenging)</p> <p>Set a homework assignment such as Question 7 from Cambridge Past Paper 32 November 2013 to consolidate learning. (H) (F)</p>	<p>covered by PEST (such as demographics, ethics, environment). Although PEST may be used, it is worth teaching learners to look at all the external influences even if they do not fit into a PEST framework.</p> <p>KEY CONCEPT 1: CHANGE PEST describes the dynamic and changing business environment.</p>	<p>accompanying mark schemes are available at teachers.cie.org.uk</p>
<p>Business vision/mission statement and objectives – evaluating their role in strategic analysis</p>	<p>Choose a business that is well known to the learners and start with a class discussion on how to analyse the strategy of that business using its objectives and mission/vision. (W) (Basic)</p> <p>Then ask learners to investigate a business and write a report on their findings. The report should include:</p> <ul style="list-style-type: none"> • a brief outline of the business • the mission statement/vision of the business • the corporate objectives of the business • recent strategies used by the business • analysis of how the strategies meet the objectives and mission/vision of the business (and how they may not) • evaluation of the importance of the objectives and mission/vision in analysing the strategy of the business. (I) (Challenging) 	<p>Being able to relate specifics back to the over-riding objectives and vision of a business is one of the most important skills learners can develop in terms of strategic management, as well as being a useful approach to try for answering longer essay-based questions.</p> <p>A wide range of mission statements, corporate objectives etc. can be found by doing internet searches on the businesses learners choose to investigate in this activity.</p>	<p>Farquharson p.621-622 Stimpson p.208</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>Follow this with a discussion on the role vision/mission statements play in strategic analysis. As part of this, ask learners to consider how important vision/mission statements are and what benefits businesses gain from them in terms of strategic analysis. (W)</p>		
<p>Boston Matrix – undertake and interpret Boston Matrix analysis on the product portfolio of a business</p>	<p>Put learners into groups and give each group a business which has a range of different products in the same market, such as:</p> <ul style="list-style-type: none"> • mobile phone manufacturers (e.g. Apple, Nokia) • chocolate manufacturers (e.g. Cadbury, Hersheys) • clothes producers (e.g. Levi's, Calvin Cline) • car makers (e.g. Kia, Ford). <p>Using the Boston Matrix, ask each group to place the products from their portfolio into each quadrant. There should be at least one 'star', 'question mark' and 'cash cow'. (G) (Basic)</p> <p>Ask more able learners to also find examples of 'dogs' (products which have been/should be discontinued). (G) (Challenging)</p> <p>Then as a whole class, look at a product that has recently been launched locally. This should be a product that started as a question mark (as opposed to many pieces of technology which often have so many pre-orders that they rarely start with a low market share). As a class, learners then come up with a strategy to move the question mark into being a star. (W) (Challenging)</p> <p>Then repeat this activity for a product which is already a star, asking learners to devise a strategy to move it to a</p>	<p>The Boston Matrix is perhaps better taught as a part of the marketing unit. The strategies used to move products through the matrix (question mark to star to cash cow) are usually focussed on the marketing mix.</p> <p>Some textbooks will use the term 'problem child' instead of 'question mark'. Either term is acceptable.</p>	<p>Farquharson p.622-624 Stimpson p.208-209</p> <p>www.slideshare.net/9579764806/bcg-matrix-with-example (online presentation on Boston Matrix)</p>

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	<p>cash cow. (W) (Challenging)</p> <p>Set a homework assignment such as Farquharson Activity 35.4 to consolidate learning. (H) (F)</p>		
<p>Porter's Five Forces – using as a framework for business strategy</p>	<p>Introduce the Porter analysis matrix and ask learners to describe the forces acting on a local retail business they are familiar with in these terms. If possible, arrange a trip to visit the business (or go and see it in operation) to help to bring the 'five forces' to life. (W)</p> <p>Then put learners into groups of five learners and give them an industry to look at that they are already familiar with. Ask each group to use Porter to analyse the 'forces' in that industry, with each learner focusing on a separate force. (G)</p> <p>On completion each group reports back to the class, which then uses the findings to discuss how competitive that industry is. (W)</p> <p>Set a homework assignment such as Farquharson Activity 35.6 to consolidate learning. (H) (F)</p>	<p>Porter's Five Forces is a way of analysing the level of competition within an industry. While terminology varies, these forces include:</p> <ul style="list-style-type: none"> • threat of new entrants • threat of substitute products/ services • supplier power • buyer power • competitive rivalry. 	<p>Farquharson p.624-626 Stimpson p.209-210</p> <p>www.google.co.uk – type 'Porter's five forces' into the images search tab.</p> <p>www.youtube.com – type 'Porter's five forces' into the search field</p> <p>www.mindmeister.com/291731392/porter-5-forces-analysis-video-game-sector (mind-map on the video games market)</p>
<p>Core Competencies – using Prahalad and Hamel analysis as a framework for business strategy</p>	<p>Select a business and ask learners to analyse it using the Core Competencies. On completion, they write a draft letter to the Managing Director of the business suggesting a business strategy based on their analysis. (I)</p> <p>Follow this with a class discussion on the usefulness of using the core competencies to analyse a business. (W)</p> <p>To develop skills in looking at this in a specific business</p>	<p>A core competence is something a business does or has that gives it a competitive advantage.</p> <p>The business you select for the first task can be any business in any sector, but learners must be able to access enough information to undertake the analysis.</p> <p>A good way to help less able learners</p>	<p>Farquharson p.627-8 Stimpson p.210</p> <p>en.wikipedia.org/wiki/Core_competency</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>context, set learners the following essay question: 'To what extent is success in the computer manufacturing industry dependent on developing core competencies.' (I) (Challenging)</p> <p>To consolidate learning, set a homework assignment such as Farquharson Activity 35.7. (H) (F)</p>	<p>develop a strategy from the Core Competencies is to ask them to find a unique selling point (USP) based on the competences and write the strategy around how to implement it. This will also help structure their draft letter.</p>	
Progress check – strategic analysis	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.628-30 case study, revision and essay questions • Stimpson p.210-2 multiple choice and exam-style questions • Question 6 from Cambridge Past Paper 31 November 2012 • Question 6 from Cambridge Past Paper 32 November 2012 • Question 7 from Cambridge Past Paper 33 November 2012. (I or H) (F) 	–	<p>Farquharson p.628-30 Stimpson p.210-2</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Strategic choice			
The Ansoff Matrix – its structure, using it to analyse	<p>Hand out a series of mini business case studies that reflect each quadrant of the Ansoff Matrix. As a class, ask learners to analyse and discuss the risk of each strategy and (if possible) the outcome. Suitable examples include:</p>	<p>The Ansoff matrix is only useful when used to analyse risk and potential reward. Stress to learners that simply identifying a given strategy as being in a</p>	<p>Farquharson p.632-634 Stimpson p.213-214 www.marketing-equity.com/2011/09/few</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
the link between strategy and risk, using it to evaluate different strategies	<ul style="list-style-type: none"> market penetration: introducing a new flavour of chewing gum product development: the introduction of salads to McDonalds market development: iPad and iPhone as follow-on to the iPod diversification: Virgin and the many different businesses it operates. (W) (Basic) <p>Then put learners into groups of four and ask them to role-play a managers' meeting for a local business. Each learner advocates a different strategy (market penetration, product development, market development or diversification). By focusing on the potential risk and the possible rewards of each approach, learners then decide which strategy to implement. (G) (Challenging)</p> <p>On completion, each group reports its decisions to the class for wider discussion and feedback. (W)</p> <p>Set a homework assignment such as Farquharson Activity 36.2 to consolidate learning. (H) (F)</p>	particular quadrant is only the first part of the process of analysis.	<p>examples-of-ansoff-matrix.html</p> <p>businesscasestudies.co.uk/enterprise-rent-a-car – choose 'Ansoff's matrix' from the 'Marketing and product strategies for growth' section</p>
Force Field Analysis – its use in making strategic choices	<p>Ask learners to look at a decision they have made or are about to make. What are the forces for and against the decision? How strong is the influence of each of these forces? Learners score each force, and add up the scores for and against, sharing their scores with the rest of the class. (I) (Basic)</p> <p>Then as a whole class, choose a local business as a context for discussing the forces acting upon it. Some useful elements that should be covered in this discussion</p>	Force Field Analysis requires a context upon which to base analysis. In this respect it can be a difficult topic as it requires the learner to adapt their learning.	<p>Farquharson p.634-636 Stimpson p.214-215</p> <p>Some notes on Force Field Analysis and a link to a video: www.mindtools.com/pages/article/newTED_06.htm (article and video)</p> <p>en.wikipedia.org/wiki/Force-</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>are:</p> <ul style="list-style-type: none"> – available resources – vested interests – relationships – attitudes of people – personal or group needs – institutional policies/norms – values – costs – traditions – organisational structures – social or organisational trends – regulations – present or past practices – agencies – desires – events (W) (Challenging) <p>Once learners are comfortable with using force field analysis, ask them to answer the following questions in writing:</p> <ul style="list-style-type: none"> • explain what is meant by the term 'force field analysis'. • analyse one benefit for a business of using 'force field analysis' • evaluate the usefulness of force field analysis for a business which is developing a strategy to expand into another country. (I) (Challenging) <p>Set a homework assignment such as Farquharson Activity 36.3 and/or Stimpson Progress Check B to consolidate learning. (H) (F)</p>		<p>field analysis</p> <p>www.institute.nhs.uk/quality_and_service_improvement_tools – choose 'Quality and service improvement tools' and type 'Force Field Analysis' in the search box</p>
Decision trees – constructing, calculating expected monetary values and using results	Hand out a series of mini business case studies with suitable quantitative questions to be made and ask learners to construct a decision tree, calculate the expected monetary values and use the results to select the most appropriate strategy for each one. Start with easy decision trees to allow learners to build up their skills, and then ask them to progress on to more complicated ones. (I)	Paper 3 past papers and textbooks can be a good source of suitable case studies for the individual task. Decision trees with more than one decision node are likely to be the ones learners find most difficult.	Farquharson p.636-641 Stimpson p.215-216 Wikipedia page about decision trees: en.wikipedia.org/wiki/Decision_tree www.google.co.uk – type 'decision

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
in selecting a strategy	<p>Follow this with a class discussion to share what has been learned and use this to develop a 'big picture' summary. As part of this, hand out a sheet of all the terms and elements of a decision tree that learners can keep and refer back to. (W)</p> <p>Set a homework assignment such as Question 4 from Cambridge Past Paper 33 May/June 2013 to consolidate learning. (H) (F)</p>	<p>The most important aspect is to make learners aware of the requirement to choose the highest option at a decision point (a square) but to add up the values at a chance node (a circle). This is a common source of error.</p>	<p>trees' into the images search tab.</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Decision trees – usefulness and accuracy	<p>Put learners into groups and give each group one of the decision trees from the previous activity with the calculations completed. Give them sufficient detail on the business context for that decision tree and then ask each group to work in two teams arguing for and against the decision chosen respectively. (G) (Basic)</p> <p>Then add complexity to the task by handing out a number of options and/or decisions to be made within the decision (not just two) together with the required quantitative and qualitative data. Ask each group to again come up with arguments for and against each option and then to come to a mutually agreed judgment over their preferred option. (G) (Challenging)</p> <p>To consolidate learning, set the following essay question: 'To what extent is a decision tree the most effective way to decide on business strategies? Justify your view'. (I) (Challenging)</p>	<p>Generally learners will be expected to argue for and against the outcome of a decision tree. Some learners find arguing against a quantitative piece of data difficult but this will be essential in coming to a balanced judgement.</p>	<p>Farquharson p.636-641 Stimpson p.215-216</p> <p>Wikipedia page about decision trees: en.wikipedia.org/wiki/Decision_tree</p>
Progress check – strategic choice	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p>	–	<p>Farquharson p.641 and p.643 Stimpson p.216-8</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<ul style="list-style-type: none"> Farquharson p.641 revision questions Farquharson p.643 hairdresser's case study questions Stimpson p.216-8 multiple choice and exam-style questions Question 5 from Cambridge Past Paper 31 November 2012 Question 6 from Cambridge Past Paper 33 November 2012 Questions 3 & 6 from Cambridge Specimen Paper 3. (I or H) (F) 		Cambridge 2016 specimen papers, past papers and accompanying mark schemes are available at teachers.cie.org.uk

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
Strategic implementation			
Business plans – key elements, their value to large, small, established and start-up businesses	<p>Put learners in groups and ask them to come up with a business idea and write a business plan it using the business planning tools provided by banks. The exact content of their plan is less important than learners gaining familiarity with the detail and elements of the business plan in operation. (G) (Basic)</p> <p>Ask more able learners to devise their own business planning tool, similar to the banks' versions, but specific to your local business area. This could include some of the external influences that are specific to your locality/country. The completed pack should be in a format that a real business could use. (G) (Challenging)</p> <p>Then split the class into four groups – one for large</p>	Most banks provide support for small businesses by producing packs for writing a business plan. If possible use an online version or ask the bank for enough packs for group work. Some potential links are provided opposite.	<p>Farquharson p.644-648 Stimpson p.219-221</p> <p>Business planning tools from a selection of banks (others available too):</p> <p>www.barclays.co.uk/Startupsupport/Writingasmallbusinessplan/P1242559649359</p> <p>businesshelp.lloydsbankbusiness.com/starting/business-plan/plan.aspx</p> <p>www.rbcroyalbank.com/sme/create-plan/business-plans.html</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>businesses, one for small businesses, one for established businesses and one for start-up businesses. Ask each group to produce a table presenting the benefits of using a business plan for the following stakeholders of the business type you have allocated to them:</p> <ul style="list-style-type: none"> • owners • banks • employees • managers • local community • suppliers • customers (G) <p>Set a homework assignment such as Farquharson Activity 37.1 and/or Stimpson Progress Check B to consolidate learning. (H) (F)</p>		<p>www.standardbank.co.za/portal/site/standardbank/menuitem.de435aa54d374eb6fcb695665c9006a0/?vgnnextoid=7b6d08f82045b210VgnVCM100000c509600aRCRD</p> <p>www.rbcroyalbank.com/sme/create-plan/business-plans.html</p> <p>www.westpac.com.au/business-banking/solutions/starting-a-business/setting-up-a-new-business/how-to-write-a-business-plan/</p> <p>www.bdc.ca/en/advice_centre/tools/business_plan/Pages/default.aspx</p>
<p>Corporate culture and strategic implementation – different types of corporate culture, the importance of culture when implementing new strategies</p>	<p>Put learners into groups of four and give each group one type of corporate culture from the following list:</p> <ul style="list-style-type: none"> • power • task • entrepreneurial • role • person. <p>Ask learners to investigate and present in a table as many businesses as possible which have that type of culture: (G) (Basic)</p> <p>Then ask learners to pick one business that demonstrates the culture type their group looked at and analyse how that culture type has influenced (or might influence in the future)</p>	<p>The identification of a culture type is good context, but it is the link to strategy that is the more important skill to develop.</p>	<p>Farquharson p.647-653 Stimpson p.221-222</p> <p>www.tutor2u.net/business/strategy/culture-types.html</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

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	<p>the strategy of that business. (I) (Challenging)</p> <p>Follow this with a class discussion about the different corporate cultures each learner encountered during the previous task. As part of this, develop a mind map on the board to draw together the common elements of these cultures and illustrate how important corporate culture is in developing future strategies. (W)</p> <p>Set a homework assignment such as Question 7 from Cambridge Past Paper 32 May/June 2013 to consolidate learning. (H) (F)</p>		
<p>Developing a change culture – its importance to effectively implementing new strategies</p>	<p>Using examples from learners' own experiences, hold a class discussion about changes that have occurred in their lives, such as:</p> <ul style="list-style-type: none"> • moving from one school to another • changing a job • moving to higher education • moving from home • a new brother/sister • moving to a new town/home. <p>Discuss how the change was implemented, what was done well and what could have been improved. (W) (Basic)</p> <p>Then use an example of a business (a local business if possible) that has been through a recent change, for example:</p> <ul style="list-style-type: none"> • a new competitor • opening a new store • recession/growth 	<p>Culture is a difficult topic for learners to understand, but examples can be found in social groups that learners themselves are part of.</p> <p>When looking for businesses that have been through change, try to find examples that are local. The change does not need to be dramatic, but it should be significant to the business.</p> <p>Good examples of large international corporate change programmes for the final step in this activity include:</p> <ul style="list-style-type: none"> • Jaguar • BP • Microsoft. 	<p>Farquharson p.653-657 Stimpson p.222-223</p> <p>www.businesscasestudies.co.uk/jaguar – choose 'Changing the culture at Jaguar' case study</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

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	<ul style="list-style-type: none"> a marketing campaign. <p>Lead a class discussion in which learners evaluate how the business needed to adapt to the change and how that may have affected the culture of the organisation. Discuss the ideal culture for implementing the change, assuming that the business could have any culture it wanted. (W) (Challenging)</p> <p>Then put learners into groups and ask them to compare the challenges faced by the local business adapting to change from the previous discussion with the change programme undergone by a suitable international/global business. (G) (Challenging)</p> <p>Set a homework assignment such as Question 7 from Cambridge Past Paper 33 May/June 2013 to consolidate learning. (H) (F)</p>		
Managing and controlling strategic change – the importance of managing change, techniques for success, developing strategies to manage change	<p>Ask learners to research and write a report on the process of change management either using the Royal Mail case study or any suitable local business they are familiar with. Their report should set out:</p> <ul style="list-style-type: none"> the need for the change taking place the need to manage that change the process undertaken to achieve it the importance of change management to the stakeholders of the organisation the degree to which the original objectives were achieved. (I) <p>Then hand out a suitable business case study and ask learners to discuss:</p>	<p>The Tutor2u website link provides resources on the Royal Mail change management programme if you wish to use this case study for this activity.</p> <p>Paper 3 past papers and textbooks can be a good source of suitable case studies for the whole class task.</p>	<p>Farquharson p.653-657 Stimpson p.222-223</p> <p>www.businessballs.com/changemanagement.htm (general theory)</p> <p>www.change-management.com/tutorial-change-process-detailed.htm (tutorial)</p> <p>www.tutor2u.net/blog/index.php/business-studies/comments/researching-the-royal-mail-a-great-case-study-in-change-management (UK Royal Mail case study and further links)</p>

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	<ul style="list-style-type: none"> the techniques that may be appropriate for managing change successfully within that organisation the development of future strategies to successfully manage change. (W) (Challenging) <p>Set a homework assignment such as Question 7 from Cambridge Past Paper 32 May/June 2011 to consolidate learning. (H) (F)</p>		<p>www.connectingforhealth.nhs.uk/systemsandservices/icd/informspec/careerplan/phi/personal/learningweb/leadership/change (UK National Health Service)</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>
Contingency planning and crisis management – importance of	<p>As a whole class, ask learners to look at the school's/college's policies for contingencies, e.g. the fire drill. Why does the school/college have a plan in place? How often is it tested? What is the consequence of not having a contingency plan? (W) (Basic)</p> <p>Then ask learners to consider to what extent does every contingency need to be planned for? Can learners come up with scenarios in or out of school/college that could/should not be planned for? Why is this? (W) (Challenging)</p> <p>Using a recent business crisis, ask the class to analyse the business's response and what it could have done better. Use local examples where possible, or ones learners will be aware of, e.g. the Fukushima nuclear disaster. As part of their analysis, also ask learners to investigate the lessons learned from the crisis. (W)</p> <p>Then put learners into group to role-play a business facing a crisis. Give each group a business objective to plan for – this could be something as simple as planning for a new competitor opening in the town. Then after a suitable time interval, add a crisis into their scenario. Ask each group to</p>	Crisis management and contingency planning is best taught in contexts that learners are aware of. This may mean responding to the news and local events.	<p>Farquharson p.657-660 Stimpson p.223-224</p> <p>knowledge.wharton.upenn.edu/article/lessons-leadership-fukushima-nuclear-disaster/</p> <p>Cambridge past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

Learning objectives	Suggested teaching activities	Teacher guidance notes and key concepts	Learning resources
	<p>think about what the business should do and produce a written plan for dealing with the crisis. (G)</p> <p>On completion, each group goes through their plan with the whole class for discussion and feedback. (W)</p> <p>Set a homework assignment such as Question 7 from Cambridge Past Paper 31 May/June 2011 to consolidate learning. (H) (F)</p>		
Progress check – strategic implementation	<p>Enable learners to recap and consolidate learning at the end of this topic. Examples of the type of questions you could set include:</p> <ul style="list-style-type: none"> • Farquharson p.660-1 revision, essay and case study questions • Stimpson p.224-6 multiple choice and exam-style questions • Question 7 from Cambridge Past Paper 31 November 2012 • Question 7 from Cambridge Past Paper 32 November 2012 • Question 7 from Cambridge Specimen Paper 3. (I or H) (F) 	–	<p>Farquharson p.660-1 Stimpson p.224-6</p> <p>Cambridge 2016 specimen papers, past papers and accompanying mark schemes are available at teachers.cie.org.uk</p>

© Cambridge International Examinations 2014
Version 2.1
Updated: 16.02.16

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