**Qualification aims and objectives:**

* know and understand business concepts, business terminology, business objectives, the integrated nature of business activity and the impact of business on individuals and wider society
* apply knowledge and understanding to contemporary business issues and to different types and sizes of businesses in local, national and global contexts
* develop as enterprising individuals with the ability to think commercially and creatively to demonstrate business acumen, and draw on evidence to make informed business decisions and solve business problems
* develop as effective and independent students, and as critical and reflective thinkers with enquiring minds
* use an enquiring, critical approach to make informed judgements
* investigate and analyse real business opportunities and issues to construct well-argued, well- evidenced, balanced and structured arguments, demonstrating their depth and breadth of understanding of business
* develop and apply quantitative skills relevant to business, including using and interpreting data.

**Knowledge and Understanding:**

* apply knowledge and understanding to different business contexts. These include businesses ranging from small enterprises to large multinationals and businesses operating in local, national and global contexts
* develop an understanding of how these contexts impact on business behaviour
* use business terminology to identify and explain business activity
* apply business concepts to familiar and unfamiliar contexts
* the interdependent nature of business activity, influences on business, business operations, finance, marketing and human resources; and how these interdependencies underpin business decision making, how different business contexts affect business decisions the use and limitation of quantitative and qualitative data in making business decisions
* develop problem-solving and decision-making skills relevant to business
* investigate, analyse and evaluate business opportunities and issues
* make justified decisions using both qualitative and quantitative data, including its selection, interpretation, analysis and evaluation, and the application of appropriate quantitative skills.

**Topics:**

* Topic 1.1 Enterprise and entrepreneurship
* Topic 1.2 Spotting a business opportunity
* Topic 1.3 Putting a business idea into practice
* Topic 1.4 Making the business effective
* Topic 1.5 Understanding external influences on business
* Topic 2.1 Growing the business
* Topic 2.2 Making marketing decisions
* Topic 2.3 Making operational decisions
* Topic 2.4 Making financial decisions
* Topic 2.5 Making human resource decisions

**Assessment:**

The Pearson Edexcel GCSE (9-1) in Business consists of two externally-examined papers:

1. Theme 1: Investigating a small business (paper code 1BSO/01)
2. Theme 2: Building a business (paper code 1BSO/02)

Both papers are written examinations (1 hour, 30 minutes), worth 90 marks and contribute to 50% of the total marks. They are divided into three sections:

* Section A – 35 marks
* Section B – 30 marks
* Section C – 20 marks

The papers consist of calculations, multiple-choice, short answer and extended-writing questions. Questions in section B and C are based on business contexts given in the paper. Calculators may be used in the examination.

**Theme 1: Investigating a small business**

Theme 1 concentrates on the key business concepts, issues and skills involved in starting and running a small business. It provides a framework for students to explore core concepts through the lens of an entrepreneur setting up a business. In this theme, students will be introduced to local and national business contexts and will develop an understanding of how these contexts impact business behaviour and decisions. Local contexts refer specifically to small businesses or those operating in a single UK location and national contexts relate to businesses operating in more than one location or across the UK. Students must develop an understanding of the interdependent nature of business activity through interactions between business operations, finance, marketing and human resources, as well as the relationship between the business and the environment in which it operates. Students must understand how these interdependencies and relationships underpin business decisions. Teaching approaches to the content must reflect this.

**Content:**

* Topic 1.1 Enterprise and entrepreneurship – students are introduced to the dynamic nature of business in relation to how and why business ideas come about. They also explore the impact of risk and reward on business activity and the role of entrepreneurship.
* Topic 1.2 Spotting a business opportunity – students will explore how new and small businesses identify opportunities through understanding customer needs and conducting market research. They will also focus on understanding the competition.
* Topic 1.3 Putting a business idea into practice – this topic focuses on making a business idea happen through identifying aims and objectives and concentrating on the financial aspects.
* Topic 1.4 Making the business effective – students will explore a range of factors that impact on the success of the business, including location, the marketing mix and the business plan.
* Topic 1.5 Understanding external influences on business – students are introduced to a range of factors, many of which are outside of the immediate control of the business, such as stakeholders, technology, legislation and the economy. Students will explore how businesses respond to these influences.

**Topic 1.1 Enterprise and entrepreneurship**

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| Subject content | What students need to learn: |
| Term 1 – Course introduction | * Introduction to small businesses
* How and why small businesses are created?
* Overview of key features of small businesses
* Overview of assessment structure of the course
 |
| 1.1.1 The dynamic nature of business | Why new business ideas come about: ● changes in technology ● changes in what consumers want ● products and services becoming obsolete. How new business ideas come about: ● original ideas ● adapting existing products/services/ideas. |
| 1.1.2 Risk and reward | The impact of risk and reward on business activity: ● risk: business failure, financial loss, lack of security ● reward: business success, profit, independence. |
| 1.1.3 The role of business enterprise | The role of business enterprise and the purpose of business activity: ● to produce goods or services ● to meet customer needs ● to add value: convenience, branding, quality, design, unique selling points. The role of entrepreneurship: ● an entrepreneur: organises resources, makes business decisions, takes risks. |

**Topic 1.2 Spotting a business opportunity**

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| Subject content | What students need to learn: |
| 1.2.1 Customer needs | Identifying and understanding customer needs: ● what customer needs are: price, quality, choice, convenience ● the importance of identifying and understanding customers: generating sales, business survival. |
| 1.2.2 Market research | The purpose of market research: ● to identify and understand customer needs ● to identify gaps in the market ● to reduce risk ● to inform business decisions. Methods of market research: ● primary research: survey, questionnaire, focus group, observation ● secondary research: internet, market reports, government reports. The use of data in market research: ● qualitative and quantitative data ● the role of social media in collecting market research data ● the importance of the reliability of market research data. |
| 1.2.3 Market segmentation | How businesses use market segmentation to target customers: ● identifying market segments: location, demographics, lifestyle, income, age ● market mapping to identify a gap in the market and the competition. |
| 1.2.4 The competitive environment | Understanding the competitive environment: ● strengths and weaknesses of competitors based on: price, quality, location, product range and customer service ● the impact of competition on business decision making. |

**Topic 1.3 Putting a business idea into practice**

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| Subject content | What students need to learn: |
| 1.3.1 Business aims and objectives | What business aims and business objectives are. Business aims and objectives when starting up: ● financial aims and objectives: survival, profit, sales, market share, financial security ● non-financial aims and objectives: social objectives, personal satisfaction, challenge, independence and control. Why aims and objectives differ between businesses. |
| 1.3.2 Business revenues, costs and profits | The concept and calculation of: ● revenue ● fixed and variable costs ● total costs ● profit and loss ● interest ● breakeven level of output ● margin of safety. Interpretation of breakeven diagrams: ● the impact of changes in revenue and costs ● breakeven level of output ● margin of safety ● profit and loss. |
| 1.3.3 Cash and cash-flow | The importance of cash to a business: ● to pay suppliers, overheads and employees ● to prevent business failure (insolvency) ● the difference between cash and profit. Calculation and interpretation of cash-flow forecasts: ● cash inflows ● cash outflows ● net cash flow ● opening and closing balances. |
| 1.3.4 Sources of business finance | Sources of finance for a start-up or established small business: ● short-term sources: overdraft and trade credit ● long-term sources: personal savings, venture capital, share capital, loans, retained profit and crowd funding. |

**Topic 1.4 Making the business effective**

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| Subject content | What students need to learn: |
| 1.4.1 The options for start-up and small businesses | The concept of limited liability: ● limited and unlimited liability ● the implications for the business owner(s) of limited and unlimited liability. The types of business ownership for start-ups: ● sole trader, partnership, private limited company ● the advantages and disadvantages of each type of business ownership. The option of starting up and running a franchise operation: ● the advantages and disadvantages of franchising. |
| 1.4.2 Business location | Factors influencing business location: ● proximity to: market, labour, materials and competitors ● nature of the business activity ● the impact of the internet on location decisions: e-commerce and/or fixed premises. |
| 1.4.3 The marketing mix | What the marketing mix is and the importance of each element: ● price, product, promotion, place. How the elements of the marketing mix work together: ● balancing the marketing mix based on the competitive environment ● the impact of changing consumer needs on the marketing mix ● the impact of technology on the marketing mix: e-commerce, digital communication. |
| 1.4.4 Business plans | The role and importance of a business plan: ● to identify: the business idea; business aims and objectives; target market (market research); forecast revenue, cost and profit; cash-flow forecast; sources of finance; location; marketing mix. The purpose of planning business activity: ● the role and importance of a business plan in minimising risk and obtaining finance. |

**Topic 1.5 Understanding external influences on business**

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| Subject content | What students need to learn: |
| 1.5.1 Business stakeholders | Who business stakeholders are and their different objectives: ● shareholders (owners), employees, customers, managers, suppliers, local community, pressure groups, the government. Stakeholders and businesses: ● how stakeholders are affected by business activity ● how stakeholders impact business activity ● possible conflicts between stakeholder groups. |
| 1.5.2 Technology and business | Different types of technology used by business: ● e-commerce ● social media ● digital communication ● payment systems. How technology influences business activity in terms of: ● sales ● costs ● marketing mix. |
| 1.5.3 Legislation and business | The purpose of legislation: ● principles of consumer law: quality and consumer rights ● principles of employment law: recruitment, pay, discrimination and health and safety. The impact of legislation on businesses: ● cost ● consequences of meeting and not meeting these obligations. |
| 1.5.4 The economy and business | The impact of the economic climate on businesses: ● unemployment, changing levels of consumer income, inflation, changes in interest rates, government taxation, changes in exchange rates. |
| 1.5.5 External influences | The importance of external influences on business: ● possible responses by the business to changes in: technology, legislation, the economic climate. |

**Theme 2: Building a business**

Theme 2 examines how a business develops beyond the start-up phase. It focuses on the key business concepts, issues and decisions used to grow a business, with emphasis on aspects of marketing, operations, finance and human resources. Theme 2 also considers the impact of the wider world on the decisions a business makes as it grows. In this theme, students will be introduced to national and global business contexts and will develop an understanding of how these contexts impact business behaviour and decisions. National contexts build on those in Theme 1 and relate to businesses operating in more than one location or across the UK. Global contexts relate to non-UK or transnational businesses. Students must develop an understanding of the interdependent nature of business activity through interactions between business operations, finance, marketing and human resources, as well as the relationship between the business and the environment in which it operates. Students must understand how these functional areas influence business activity and how interdependencies and relationships between them underpin business decisions. Teaching approaches to the content must reflect this.

**Topics**

* Topic 2.1 Growing the business – students are introduced to methods of growth and how and why business aims and objectives change as businesses evolve. The impact of globalisation and the ethical and environmental questions facing businesses are explored.
* Topic 2.2 Making marketing decisions – students will explore how each element of the marketing mix is managed and used to inform and make business decisions in a competitive marketplace.
* Topic 2.3 Making operational decisions – this topic focuses on meeting customer needs through the design, supply, quality and sales decisions a business makes.
* Topic 2.4 Making financial decisions – students will explore the tools a business has to support financial decision making, including ratio analysis and the use and limitation of a range of financial information.
* Topic 2.5 Making human resource decisions – growing a business means that decisions relating to organisational structure, recruitment, training and motivation need to be made to influence business activity. These aspects are considered in this final topic.

**Topic 2.1 Growing a business**

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| Subject content | What students need to learn: |
| 2.1.1 Business growth | Methods of business growth and their impact: ● internal (organic) growth: new products (innovation, research and development), new markets (through changing the marketing mix or taking advantage of technology and/or expanding overseas) ● external (inorganic) growth: merger, takeover. The types of business ownership for growing businesses: ● public limited company (plc) Sources of finance for growing and established businesses: ● internal sources: retained profit, selling assets ● external sources: loan capital, share capital, including stock market flotation (public limited companies). |
| 2.1.2 Changes in business aims and objectives | Different types of technology used by business: ● e-commerce ● social media ● digital communication ● payment systems. How technology influences business activity in terms of: ● sales ● costs ● marketing mix. |
| 2.1.3 Business and globalisation | The impact of globalisation on businesses: ●imports: competition from overseas, buying from overseas●exports: Selling to overseas markets●changing business locations●multinationals. Barriers to international trade:●tariffs●trade blocs. How businesses compete internationally:●the use of the internet and e-commerce●changing the marketing mix to compete internationally. |
| 2.1.4 Ethics, the environment and business | The impact of ethical and environmental considerations on businesses: ●how ethical considerations influence business activity: possible trade-offs between ethics and profit●how environmental considerations influence business activity: possible trade-offs between the environment, sustainability and profit●the potential impact of pressure group activity on the marketing mix. |

**Topic 2.2 Making marketing decisions**

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| Subject content | What students need to learn: |
| 2.2.1 Product | The design mix:●function, aesthetics, cost. The product life cycle:●the phases of the product life cycle ●extension strategies. The importance to a business of differentiating a product/ service. |
| 2.2.2 Price | Price●pricing strategies●influences on pricing strategies: technology, competition, market segments, product life cycle. |
| 2.2.3 Place | Place: ●methods of distribution: retailers and e- tailers (e-commerce). |
| 2.2.4 Using the marketing mix to make business decisions | How each element of the marketing mix can influence other elements. Using the marketing mix to build competitive advantage.How an integrated marketing mix can influence competitive advantage. |

**Topic 2.3 Making operational decisions**

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| Subject content | What students need to learn: |
| 2.3.1 Business operations | The purpose of business operations:●to produce goods and servicesProduction processes:* different types: job, batch and flow

● the impact of different types of production process: keeping productivity up and costs down and allowing for competitive prices. Impacts of technology on production:●balancing cost, productivity, quality and flexibility. |
| 2.3.2 Working with suppliers | Managing stock: ●interpretation of bar gate stock graphs●the use of just in time (JIT) stock control. The role of procurement:●relationships with suppliers: quality, delivery (cost, speed, reliability), availability, cost, trust ●the impact of logistics and supply decisions on: costs, reputation, customer satisfaction. |
| 2.3.3 Managing quality | The concept of quality and its importance in:●the production of goods and the provision of services: quality control and quality assurance●allowing a business to control costs and gain a competitive advantage. |
| 2.3.4 The sales process | The sales process: ●product knowledge, speed and efficiency of service, customer engagement, responses to customer feedback, post-sales service. The importance to businesses of providing good customer service. |

**Topic 2.4 Making financial decisions**

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| Subject content | What students need to learn: |
| 2.4.1 Business calculations | The concept and calculation of:●gross profit●net profitCalculation and interpretation of: ●gross profit margin●net profit margin●average rate of return. |
| 2.4.2 Understanding business performance | The use and interpretation of quantitative business data to support, inform and justify business decisions:●information from graphs and charts●financial data ●marketing data●market data. The use and limitations of financial information in: ●understanding business performance ●making business decisions. |

**Topic 2.5 Making human resource decisions**

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| Subject content | What students need to learn: |
| 2.5.1 Organisational structures | Different organisational structures and when each are appropriate:●hierarchical and flat●centralised and decentralised. The importance of effective communication:●the impact of insufficient or excessive communication on efficiency and motivation●barriers to effective communication. Different ways of working: ●part-time, full- time and flexible hours●permanent, temporary, and freelance contracts●the impact of technology on ways of working: efficiency, remote working. |
| 2.5.2 Effective recruitment | Different job roles and responsibilities:●key job roles and their responsibilities: directors, senior managers, supervisors/team leaders, operational and support staff. How businesses recruit people: ●documents: person specification and job description, application form, CV●recruitment methods used to meet different business needs (internal and external recruitment). |
| 2.5.3 Effective training and development | How businesses train and develop employees: ●different ways of training and developing employees: formal and informal training, self-learning, ongoing training for all employees, use of target setting and performance reviews. Why businesses train and develop employees:●the link between training, motivation and retention●retraining to use new technology. |
| 2.5.4 Motivation | The importance of motivation in the workplace: ●attracting employees, retaining employees, productivity. How businesses motivate employees:●financial methods: remuneration, bonus, commission, promotion, fringe benefits●non-financial methods: job rotation, job enrichment, autonomy. |