

Accredited

AS LEVEL

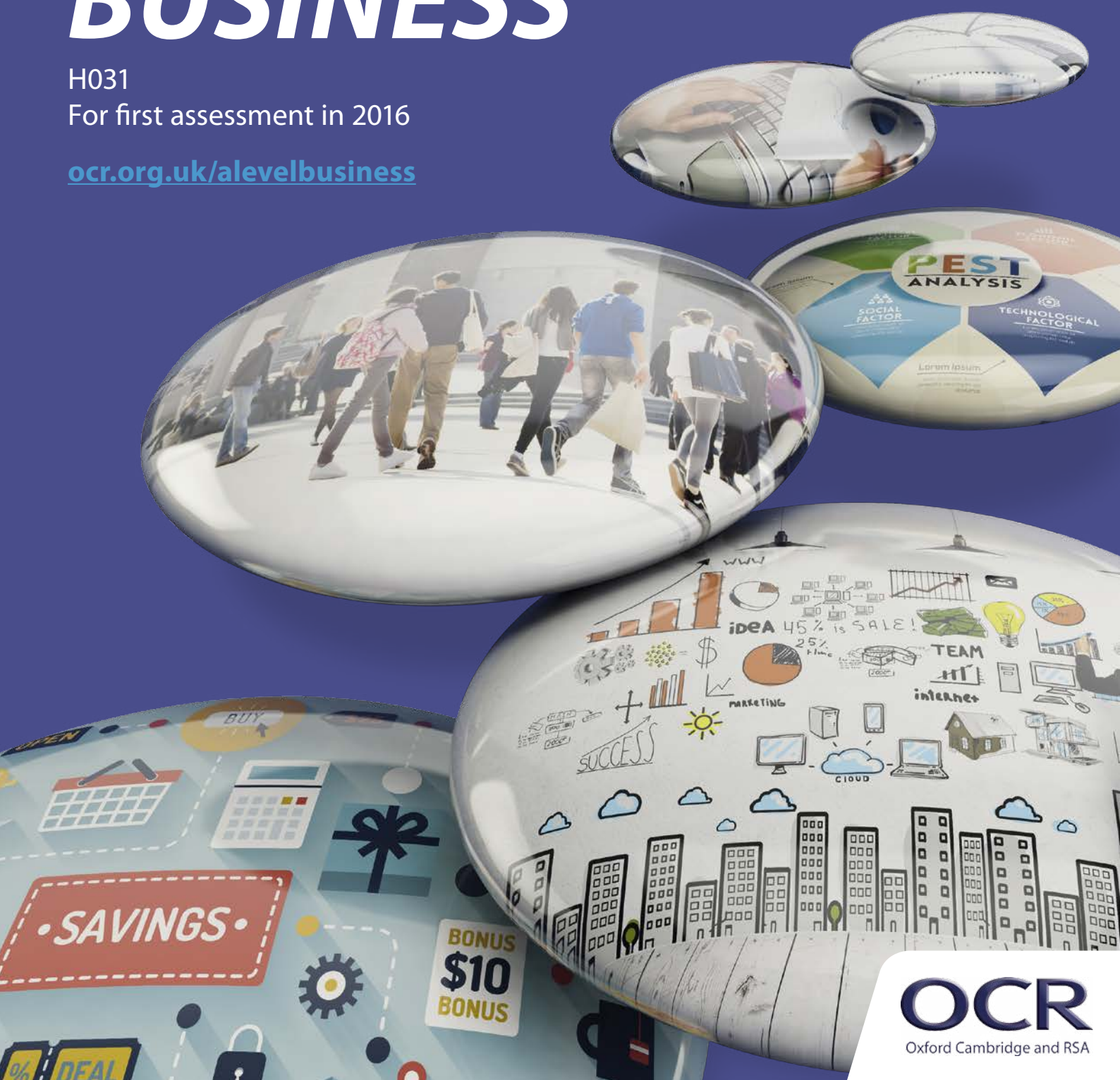
Specification

BUSINESS

H031

For first assessment in 2016

ocr.org.uk/alevelbusiness



We will inform centres about any changes to the specification. We will also publish changes on our website. The latest version of our specification will always be the one on our website (ocr.org.uk) and this may differ from printed versions.

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Introducing...

AS Level in Business (from September 2015)

This specification has been developed in conjunction with centres, higher education and industry, thus ensuring that we have a balanced view of the requirements of the specification.

It enables teachers to be able to tailor the qualification to meet the needs of their learners, allowing any relevant industry examples that meet the needs of the course to be used. It provides the opportunity to study a wide range of concepts that can be applied in a variety of contexts.

The aims of this specification are to enable learners to:

- Gain a holistic understanding of business in a range of contexts
- Develop a critical understanding of organisations and their ability to meet society's needs and wants
- Understand that business behaviour can be studied from a range of perspectives
- Generate enterprising and creative approaches to business opportunities, problems and issues.

Meet the team

We have a dedicated team of people working on our AS Level in Business qualifications.

Find out more about our Business team at ocr.org.uk/businesssteam

If you need specialist advice, guidance or support, get in touch as follows:

- **01223 553998**
- business@ocr.org.uk
- [@OCR_exams](https://twitter.com/OCR_exams)

Teaching and learning resources

We recognise that the introduction of a new specification can bring challenges for implementation and teaching. Our aim is to help you at every stage and we're working hard to provide a practical package of support in close consultation with teachers and other experts, so we can help you to make the change.

Designed to support progression for all

Our resources are designed to provide you with a range of teaching activities and suggestions so you can select the best approach for your particular students. You are the experts on how your students learn and our aim is to support you in the best way we can.

We want to...

- Support you with a body of knowledge that grows throughout the lifetime of the specification
- Provide you with a range of suggestions so you can select the best activity, approach or context for your particular students.
- Make it easier for you to explore and interact with our resource materials, in particular to develop your own schemes of work
- Create an ongoing conversation so we can develop materials that work for you.

Plenty of useful resources

You'll have four main types of subject-specific teaching and learning resources at your fingertips:

- Delivery Guides
- Transition Guides
- Topic Exploration Packs
- Lesson Elements.

Along with subject-specific resources, you'll also have access to a selection of generic resources that focus on skills development and professional guidance for teachers.

Skills Guides – we've produced a set of Skills Guides that are not specific to Business, but each covers a topic that could be relevant to a range of qualifications – for example, communication, legislation and research. Download the guides at ocr.org.uk/skillsguides

Active Results – a free online results analysis service to help you review the performance of individual students or your whole school. It provides access to detailed results data, enabling more comprehensive analysis of results in order to give you a more accurate measurement of the achievements of your centre and individual students. For more details refer to ocr.org.uk/activeresults.

Professional Development

Take advantage of our improved Professional Development Programme, designed with you in mind. Whether you want to come to face-to-face events, look at our new digital training or search for training materials, you can find what you're looking for all in one place at the CPD Hub.

An introduction to the new specifications:

We'll be running events to help you get to grips with our AS Level in Business qualification.

These events are designed to help prepare you for first teaching and to support your delivery at every stage.

Watch out for details at cpdhub.ocr.org.uk.

To receive the latest information about the training we'll be offering, please register for AS Level email updates at ocr.org.uk/updates.

1 Why choose an OCR AS Level in Business?

1a. Why choose an OCR qualification?

Choose OCR and you've got the reassurance that you're working with one of the UK's leading exam boards. Our new AS Level in Business course has been developed in consultation with teachers, employers and Higher Education to provide learners with a qualification that's relevant to them and meets their needs.

We're part of the Cambridge Assessment Group, Europe's largest assessment agency and a department of the University of Cambridge. Cambridge Assessment plays a leading role in developing and delivering assessments throughout the world, operating in over 150 countries.

We work with a range of education providers, including schools, colleges, workplaces and other institutions in both the public and private sectors. Over 13,000 centres choose our A levels, GCSEs and vocational qualifications including Cambridge Nationals, Cambridge Technicals and Cambridge Progression.

Our Specifications

We believe in developing specifications that help you bring the subject to life and inspire your students to achieve more.

We've created teacher-friendly specifications based on extensive research and engagement with the teaching community. They're designed to be straightforward and accessible so that you can tailor the delivery of the course to suit your needs. We aim to encourage

learners to become responsible for their own learning, confident in discussing ideas, innovative and engaged.

We provide a range of support services designed to help you at every stage, from preparation through to the delivery of our specifications. This includes:

- A wide range of high-quality creative resources including:
 - Delivery Guides
 - Transition Guides
 - Topic Exploration Packs
 - Lesson Elements
 - ...and much more.
- Access to subject specialists to support you through the transition and throughout the lifetimes of the specifications.
- CPD/Training for teachers including face-to-face events to introduce the qualifications and prepare you for first teaching.
- Active Results – our free results analysis service to help you review the performance of individual students or whole schools.
- ExamCreator – our new online past papers service that enables you to build your own test papers from past OCR exam questions.

All AS level qualifications offered by OCR are accredited by Ofqual, the Regulator for qualifications offered in England. The accreditation number for OCR's AS Level in Business is (QN: 601/4674/6).

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1b. Why choose an OCR AS Level in Business?

The OCR AS Level in Business will encourage learners to be inspired, motivated and challenged by following a broad, coherent, practical, satisfying and worthwhile course of study. It provides insight into, and experience of, how businesses work, stimulating learners' curiosity and encouraging them to engage with commerce in their everyday lives and to make informed choices about further study and career choices.

The OCR AS Level in Business is designed to allow centres to manage a diversity of different topics in an efficient simple way. The AS Level in Business will provide learners with an understanding of the subject and it will develop skills such as data analysis, problem solving and essay writing. These transferable skills can be used within any subsequent course of study. They can also be applied by any learner progressing into a managerial role within any organisation.

This specification has been developed in conjunction with the team that created the previous OCR Business Studies specification, and also with input from centres, Higher Education (HE) and industry, thus ensuring that we have a balanced view of the requirements of the specification. The specification content has been updated to capture and inspire the learner's interest

in the way in which businesses operate in the modern world. The experience of the past three years of assessment has clearly demonstrated that OCR has the knowledge and skills to develop reliable and valid qualifications.

The OCR AS Level in Business will above all else be relevant to the modern and changing world of business. It enables teachers to be able to tailor the qualification to meet the needs of their learners, allowing any relevant industry examples which meet the needs of the course to be used. It provides the opportunity to study a wide range of concepts which can be applied in a variety of contexts.

If learners wish to go on to Higher Education (HE), many universities now recognise the value of a business qualification. Learners could then go on to a career in law, business or finance for example. It may also be used for entry into employment or an apprenticeship.

Each component comprises of synoptic assessment, so learners will have an holistic learning experience and be able to apply concepts to different situations.

Aims and learning outcomes

The aims of this specification are to enable learners to:

- develop an enthusiasm for studying business
- gain an holistic understanding of business in a range of contexts
- develop a critical understanding of organisations and their ability to meet society's needs and wants
- understand that business behaviour can be studied from a range of perspectives
- generate enterprising and creative approaches to business opportunities, problems and issues
- be aware of the ethical dilemmas and responsibilities faced by organisations and individuals
- take a more strategic view of business opportunities, problems and issues
- acquire a range of relevant business and generic skills, including decision making, problem solving, the challenging of assumptions and critical analysis
- apply numerical skills in a range of business contexts.

1c. What are the key features of this specification?

This specification:

- has increased emphasis on decision making, with learners required to consider why the size and scope of a business makes a difference to the action taken
- has true synoptic assessment meaning that learners will be taught skills and be able to apply them to different concepts – e.g. the relationship between break-even concept in both production and sales
- uses real businesses in the assessment to enable learners to identify more with problem solving in real-life situations

- requires learners to apply mathematical skills, which will enable them to develop their skills, knowledge and understanding of business
- is co-teachable with the A Level in Business course.

The OCR AS Level in Business provides the ideal foundation for those learners who wish to pursue further study of business or related work, at the same time as offering a complete course for those who are interested in achieving greater understanding of what they see in the news and the world around them. There is a simple, straight-forward assessment structure with no coursework, just three two-hour examinations at the end of the course.

1d. How do I find out more information?

If already using OCR specifications you can contact us at: www.ocr.org.uk

If not already registered you can find out more information at: www.ocr.org.uk

If you are not yet an approved centre and would like to become one go to: www.ocr.org.uk

Find out more?

Ask a subject specialist:
OCR.Business@ocr.org.uk

Teacher support: www.ocr.org.uk

2 The specification overview

2a. Overview of AS Level in Business (H031)

Learners must complete both components (01 and 02).

Content Overview	Assessment Overview	
<ul style="list-style-type: none">• Business objectives and strategic decisions• External influences facing businesses• Marketing and marketing strategies• Operational strategy• Human resources• Accounting and financial considerations	The local business environment (01)* 60 marks 1 hour 30 minutes written paper	50% of total AS level
	The wider business environment (02)* 60 marks 1 hour 30 minutes written paper	50% of total AS level

* Indicates synoptic assessment.

2b. Introduction to content of AS Level in Business (H031)

The main areas of study in the OCR AS Level in Business are accounting and finance, external influences, marketing, operations and people in organisations. The required depth of study has been amplified within topics such as marketing (the marketing mix, consumer/customer needs), human resources (recruitment, selection and training), operations management (methods of production, capacity management, stock control and logistics/supply chain solutions) and accounting and finance (final accounts, including the calculation of profit).

The OCR AS Level in Business will provide learners with the ability to apply basic business concepts to a wider range of contexts, understand and apply more sophisticated concepts and techniques, analyse, interpret and evaluate more complex business information and take a more strategic view of business opportunities, problems and issues.

It will develop skills such as data analysis, problem solving and essay writing. These transferable skills can be used within any subsequent course of study. They can also be applied by any learner progressing into a managerial role within any organisation.

It is important that the content of this specification is seen as a whole and not as a series of discrete elements, as the content listed in one section may be assessed in any context.

The following detailed content is presented in three columns which detail the areas of study as required by the Subject Criteria, the breaking down of those areas of study into specific topics and finally, what the learners should be able to do as a result of following the OCR AS Level in Business.

The entire specification can and will be assessed within each of the two components (with the exception that the international/global context is unlikely to be assessed in component 01 as this focuses on the local business environment). Although some techniques and models are listed within a particular element of the specification, such techniques and models can and will be assessed within any appropriate context. For example, although SWOT analysis is listed under the heading 'Marketing resources', learners could be asked to undertake a SWOT analysis in any context.

2c. Content of AS Level in Business

Area of Study	Content	Learners should be able to:
Introduction to business	Enterprise	<ul style="list-style-type: none"> explain what is meant by an entrepreneur and by enterprise explain what is meant by the factors of production: land, labour, capital and enterprise evaluate the impact and importance of the availability of factors of production for the stakeholders of a business explain the role of the entrepreneur in making business decisions evaluate the impact and importance of entrepreneurial activity for the stakeholders of a business.

Area of Study	Content	Learners should be able to:
Introduction to business	Business sectors	<ul style="list-style-type: none"> • distinguish between primary, secondary and tertiary organisations • distinguish between private, public and third sector organisations • distinguish between local, national and international global markets • distinguish between a national and multinational business
	Types of business	<ul style="list-style-type: none"> • explain the legal structure of business: including sole trader, partnership, limited liability partnership, private limited company and public limited company • explain what is meant by limited liability and unlimited liability • evaluate the factors affecting the choice of legal structure of a business • evaluate the impact and importance of legal structure for the stakeholders of a business • explain the functions of business: including marketing, production, operations management, accounting and finance, as well as customer service, sales and support services • evaluate the impact and importance of the functions of business to the stakeholders of a business • distinguish between small, medium and large enterprises • explain how and why the size of a business is measured • evaluate the factors affecting the size of a business • evaluate the impact and importance of the size of business to the stakeholders of a business.

Area of Study	Content	Learners should be able to:
Business objectives and strategy	Different stakeholder and business objectives	<ul style="list-style-type: none"> • distinguish between organisational aims, corporate/ business objectives, strategic objectives, tactical objectives and operational objectives • explain the importance of setting SMART objectives to a business and its stakeholders • explain what is meant by the hierarchy of objectives • evaluate the impact and importance of setting aims and objectives • explain how the sector in which a business operates affects its aims and objectives • explain how objectives can be communicated • evaluate the consequences of mis-communicating objectives to a business and its stakeholders • evaluate ways in which the objectives of a business could be better communicated • explain why the objectives of a business may need to change • recommend and justify the aims and objectives for a business and how any changes may be implemented.
	Stakeholders	<ul style="list-style-type: none"> • explain what is meant by the term 'stakeholder' • identify the internal and external stakeholders of a business • analyse the objectives of the stakeholders of a business • explain the reasons for conflicts between different stakeholder groups • explain why a business needs to manage the conflicting objectives of its stakeholders • evaluate the impact on a business of different stakeholders having conflicting objectives • recommend and justify how a business should deal with the conflicting objectives of stakeholders • evaluate the influence different stakeholders have on a business including its aims and objectives, decision making, behaviour and performance • evaluate the impact of business decisions on different stakeholders groups.
	Business plans	<ul style="list-style-type: none"> • explain the purpose of a business plan • describe the main contents of a business plan and explain why these are included in the plan • evaluate the advantages and disadvantages to a business of having a business plan • evaluate the impact and importance of a business plan to the stakeholders of a business.

Area of Study	Content	Learners should be able to:
Business objectives and strategy	Risk and uncertainty	<ul style="list-style-type: none"> explain what is meant by risk and reward explain the relationship between risk and reward evaluate the relationship between risk and reward in a business distinguish between quantifiable and unquantifiable risk evaluate quantifiable and unquantifiable risks to a business evaluate ways in which a business can reduce its level of risk evaluate the consequences to a business and its stakeholders of poor risk management evaluate the specific risks faced by an entrepreneur explain what is meant by uncertainty distinguish between internal and external causes of uncertainty in a business evaluate the impact of internal and external causes of uncertainty on a business and its stakeholders explain how uncertainty can affect a business including effects on aims and objectives, planning, decision making, business analysis and forecasting.
	Measures of performance: financial and non-financial	<ul style="list-style-type: none"> distinguish between financial and non-financial measures of business performance explain the importance to a business of using financial and non-financial measures of business performance explain the difference between cash flow and profit.
	Decision making	<ul style="list-style-type: none"> evaluate which course of action a business should take.
External influences	The market, market structure, market size, share and growth	<ul style="list-style-type: none"> explain what is meant by a market explain what is meant by market size explain the importance of market size to a business explain what is meant by market share explain the importance of market share to a business evaluate how a business could increase its market share explain what is meant by market growth recommend and justify how a business should respond to positive or negative market growth recommend and justify how a business should respond to increasing or decreasing market share

Area of Study	Content	Learners should be able to:
External influences	The market, market structure, market size, share and growth	<ul style="list-style-type: none"> • explain what is meant by competition • describe the key features of monopoly, oligopoly and monopolistic competition • analyse the relationship between market structure and a business' decision making power • evaluate the impact of competition at the local, national and global contexts on a business.
	Demand and supply	<ul style="list-style-type: none"> • explain what is meant by demand, supply and equilibrium • explain how demand and supply interact to establish equilibrium • explain the determinants of demand and supply • explain how changes in the determinants of demand and supply affect price and output decisions • construct and interpret demand and supply diagram(s) to show how changes in the determinants of demand and supply affect equilibrium • evaluate factors which affect demand and supply in a market • construct and interpret demand and supply diagram(s) to show excesses and shortages in a market • evaluate the effect of excesses and shortages.
	Physical and non-physical markets	<ul style="list-style-type: none"> • distinguish between physical and non-physical markets, including online and digital • explain why firms may choose to operate in physical and/or non-physical markets.
	Competition	<ul style="list-style-type: none"> • evaluate how the strength of competition affects a business • explain why firms may choose to enter or exit a market • analyse barriers to entry or exit in a market.

Area of Study	Content	Learners should be able to:
External influences	Market dominance	<ul style="list-style-type: none"> explain what is meant by market dominance, mergers, acquisitions and organic growth explain how mergers, acquisitions and organic growth could lead to the creation of dominant firms evaluate the impact on a business of a dominant firm operating in its market explain how market dominance is restricted and regulated in the UK evaluate the impact and importance of the regulation of the market on a business and its stakeholders.
	Global context	<ul style="list-style-type: none"> explain what is meant by globalisation explain factors which facilitate globalisation including the Internet, communication technologies, e-commerce, trade liberalisation, transport infrastructure and multinationals explain why some businesses are more affected than others by globalisation explain the role of multinationals in globalisation evaluate the opportunities and threats globalisation presents to a business explain what is meant by global branding evaluate the opportunities and threats to a business of a rise in the number of global brands explain what is meant by international trade explain the reasons for international trade explain the nature and purpose of barriers to international trade explain what is meant by an exchange rate.
	Political factors	<ul style="list-style-type: none"> identify political factors which influence a business evaluate how the policies of local, national, EU and international governments can affect a business.
	Economic factors	<ul style="list-style-type: none"> explain the key economic indicators which influence a business identify the nature and purpose of the main types of taxation in the UK distinguish between direct and indirect taxation explain what is meant by Gross Domestic Product evaluate the impact and importance in changes in economic factors for a business and its stakeholders.
	Social factors	<ul style="list-style-type: none"> describe social factors which influence a business evaluate the impact and importance in changes in social factors for a business and its stakeholders.

Area of Study	Content	Learners should be able to:
External influences	Technological factors	<ul style="list-style-type: none"> identify technological factors which influence a business explain how technology can be used in a business explain how changes in technology may impact on a business evaluate the opportunities and threats to a business and its stakeholders of changes in technological factors.
	Ethical factors	<ul style="list-style-type: none"> distinguish between the law and ethics explain ethical issues which influence a business recommend and justify ways in which a business could improve its ethical profile evaluate the advantages and disadvantages to a business and its stakeholders of behaving ethically.
	Legal factors	<ul style="list-style-type: none"> explain the nature and purpose of legislation including employment, equality, company and partnership health and safety, data protection, intellectual property, planning, environmental, consumer protection, contract and financial conduct evaluate ways in which a business can comply with legislation.
	Environmental factors	<ul style="list-style-type: none"> describe environmental issues which influence a business explain why a business needs to consider environmental issues recommend and justify ways in which a business can address environmental issues explain what is meant by sustainability explain how a business may act in a sustainable manner evaluate the impact and importance of sustainability to a business and its stakeholders evaluate how a business may become more sustainable.

Area of Study	Content	Learners should be able to:
Accounting and finance within a business environment	Sources of finance	<ul style="list-style-type: none"> • explain sources of finance • distinguish between internal and external sources of finance for a business • distinguish between short-term and long-term sources of finance for a business • explain how factors such as the following affect the choice of finance for a business: <ul style="list-style-type: none"> ○ time ○ legal structure ○ quantitative factors ○ qualitative factors ○ external influences • evaluate sources of finance for a business and its stakeholders.
Management accounting	Costs, revenue and profit	<ul style="list-style-type: none"> • explain what is meant by costs, revenue, profit, total cost, average cost, fixed cost, variable cost, total revenue, price, average revenue, direct, indirect and overhead costs • calculate and interpret costs, revenue, profit, total cost, average cost, fixed cost, variable cost, total revenue, price, average revenue, direct, indirect and overhead costs • explain the importance of direct, indirect and overhead costs to a business • evaluate the impact of costs and revenue on business decisions • evaluate the impact of costs changing to a business and its stakeholders • evaluate the profit level of a business.

Area of Study	Content	Learners should be able to:
Management accounting	Break-even analysis	<ul style="list-style-type: none"> • explain what is meant by 'break-even', contribution, margin of safety and target level of profit • construct and interpret a break-even graph • calculate and interpret contribution, break-even, margin of safety and target level of profit • calculate and interpret the impact on break-even, margin of safety contribution and target level of profit of changes in costs and revenue • evaluate the impact on the break-even point, margin of safety, contribution and target level of profit of changes in costs and revenue • evaluate the impact of break-even analysis on a business and its stakeholders • evaluate the usefulness of break-even analysis to a business and its stakeholders • recommend and justify how a business could lower its break-even point.
	Investment appraisal	<ul style="list-style-type: none"> • explain the nature and purpose of investment appraisal • calculate and interpret quantitative methods of investment appraisal, the payback period, average rate of return (ARR) and net present value (NPV) • explain how quantitative and qualitative aspects of investment appraisal affect a business • evaluate the usefulness of different methods of investment appraisal to a business and its stakeholders • recommend and justify business investments based on quantitative and qualitative investment appraisal.
	Budgets and variances	<ul style="list-style-type: none"> • explain what is meant by a budget • explain what is meant by a variance • calculate and interpret budgets and variances • analyse budgets and variances (favourable/adverse) • evaluate the impact of budgets and variances on a business • evaluate the usefulness of the budgeting process and variance analysis to a business and its stakeholders.

Area of Study	Content	Learners should be able to:
Management accounting	Cash-flow	<ul style="list-style-type: none"> • explain what is meant by cash-flow • distinguish between cash-flow and profit • explain the purpose of a cash-flow forecast • calculate, interpret and analyse cash-flow forecasts • calculate, interpret and analyse the impact on a cash-flow forecast of changes in costs and revenue • evaluate the impact of a cash-flow forecast on a business and its stakeholders • evaluate the usefulness of cash-flow forecasting to a business and its stakeholders • evaluate strategies to overcome forecast cash-flow problems • evaluate the usefulness of cash-flow forecasts for a business and its stakeholders.
	Working capital	<ul style="list-style-type: none"> • explain what is meant by working capital • explain what is meant by the working capital cycle.
Financial accounting	Income statements	<ul style="list-style-type: none"> • explain what is meant by an income statement • explain what is contained within an income statement • calculate, interpret and analyse measures of profit: gross profit, operating profit, net profit • complete, interpret and analyse an income statement • evaluate the usefulness of income statements for a business and its stakeholders.
	Statement of financial position	<ul style="list-style-type: none"> • explain what is meant by a statement of financial position • explain what is contained within a statement of financial position • complete, interpret and analyse a statement of financial position (non-current assets, inventory, receivables, payables, working capital, non-current liabilities, net assets, retained earnings and total shareholders' equity) • evaluate how assets may be valued: non-current assets, investments, patents, goodwill, receivables, bad debts, inventories • evaluate the usefulness of a statement of financial position for a business and its stakeholders of a business.

Area of Study	Content	Learners should be able to:
Financial accounting	Ratio analysis	<ul style="list-style-type: none"> • calculate and interpret liquidity ratios: current ratio and acid test • calculate and interpret profitability ratios: gross profit margin, net profit margin, return on capital employed (ROCE) and return on equity • evaluate the financial position of a business • evaluate the usefulness of ratio analysis to a business and its stakeholders.
Human resource management within a business environment	Organisation	<ul style="list-style-type: none"> • explain organisation structure: line relationships, staff relationships, chain of command, span of control, authority, responsibility, centralisation, decentralisation, delegation and delayering • explain models of organisation structure: hierarchy, by function, by product, system, matrix and division • distinguish between tall and flat organisational structures • evaluate the usefulness of organisational structures used by a business • evaluate the significance of organisational structures to a business and its stakeholders.
The workforce	Recruitment	<ul style="list-style-type: none"> • explain what is meant by recruitment • explain the reasons for recruitment • explain the content and purpose of a job description, a person specification and a job advertisement • distinguish between external and internal recruitment • evaluate the impact and importance of recruitment to a business and its stakeholders • evaluate the usefulness of documentation and methods of recruitment to a business and its stakeholders • recommend and justify methods of recruitment for a business.
	Selection	<ul style="list-style-type: none"> • explain what is meant by selection • explain the content and purpose of different selection methods, including application forms, curriculum vitae (CV), testing, interviews, work trial, references and letter of application • evaluate the usefulness of methods of selection to a business and its stakeholders • evaluate the impact of selection on a business and its stakeholders • recommend and justify methods of selection for a business.

Area of Study	Content	Learners should be able to:
The workforce	Training	<ul style="list-style-type: none"> • explain what is meant by training • distinguish between methods of training; including on-the-job, off-the-job, induction, academic, vocational and apprenticeship • evaluate the usefulness of methods of training for a business and its stakeholders • evaluate the impact and importance of training for a business and its stakeholders • recommend and justify training methods for a business.
	Workforce performance	<ul style="list-style-type: none"> • explain measures of workforce performance • calculate and interpret measures of workforce performance, including lateness, absenteeism, labour turnover, productivity • evaluate the usefulness of measurements of workforce performance to a business • evaluate the importance of measurements of workforce performance to a business and its stakeholders.
	Appraisal	<ul style="list-style-type: none"> • explain what is meant by, and the purpose of appraisal • distinguish between appraisal methods: including managerial assessment, peer assessment, self-assessment, 360° assessment, target setting.
	Redundancy and dismissal	<ul style="list-style-type: none"> • explain what is meant by redundancy and dismissal • explain reasons for fair dismissal: including capacity, conduct, redundancy and other substantial reason • explain what is meant by unfair dismissal • explain reasons for unfair dismissal: including pregnancy, trade union membership, discrimination and whistle blowing • explain the procedure for dismissal • evaluate the impact and importance of redundancy and dismissal for a business and its stakeholders • evaluate the effectiveness of dismissal and grievance procedures to a business and its stakeholders.

Area of Study	Content	Learners should be able to:
Management	Functions of management	<ul style="list-style-type: none"> • explain what is meant by management • explain functions of management • evaluate constraints on management • evaluate the success of the management of a business.
	Leadership	<ul style="list-style-type: none"> • explain what is meant by leadership • explain leadership theory, including trait theory (Carlyle and Galton, McGregor's Theory X and Y), behavioural theory (Blake and Moulton's managerial grid), contingency theory (Lewin, Tannenbaum and Schmidt's behavioural continuum) and functional (Adair's Three Circles) • distinguish between leadership styles, including autocratic, democratic, laissez-faire and paternalistic • evaluate the usefulness of theories and styles of leadership to a business and its stakeholders • evaluate the impact and importance of leadership for a business and its stakeholders • recommend and justify methods of leadership for a business.
	Motivation	<ul style="list-style-type: none"> • explain what is meant by motivation • explain motivation theory, including content theory (McClelland, Herzberg, Maslow) and expectancy theory (Vroom) • evaluate the usefulness of theories of motivation to a business • distinguish between monetary and non-monetary methods of motivation • evaluate the usefulness of motivation practices to a business and its stakeholders • evaluate the impact and importance of motivation to a business and its stakeholders • recommend and justify methods of motivation for a business.

Area of Study	Content	Learners should be able to:
	Employer/employee relations	<ul style="list-style-type: none"> • explain what is meant by employer/employee relations • evaluate the benefits of good employer/employee relations for a business and its stakeholders • evaluate the costs of poor employee relations to a business and its stakeholders • explain legislation which affects the employer/employee relationship; including contracts of employment, minimum wage, health and safety, equality, data protection, dismissal, grievance and relevant European directives • evaluate the impact and importance of legislation which affects the employer/employee relationship for a business and its stakeholders • explain what is meant by employee participation • explain types of employee participation; including industrial democracy, participative decision making and works councils • evaluate the impact and importance of employee participation to a business and its stakeholders • explain what is meant by a trade union • explain the role of a trade union • evaluate the advantages and disadvantages of trade union membership for a business and its stakeholders • evaluate the impact of the changing nature of trade union activity and membership on a business and its stakeholders.
Marketing within a business environment	Marketing resources	<ul style="list-style-type: none"> • identify and explain the resources required by a business to market a product or service • evaluate the impact of resources on the ability of a business to develop a marketing strategy • explain the content and purpose of a SWOT analysis • analyse the marketing position of a business using a SWOT framework • evaluate the usefulness of SWOT analysis for a business and its stakeholders.

Area of Study	Content	Learners should be able to:
Customer needs	Identifying customer needs	<ul style="list-style-type: none"> • explain what is meant by market research • distinguish between primary and secondary market research techniques • explain primary market research techniques • explain secondary market research techniques • analyse market research data • evaluate the usefulness of primary market research techniques for a business and its stakeholders • evaluate the usefulness of secondary market research techniques to a business and its stakeholders • explain what is meant by trial marketing • evaluate the usefulness of trial marketing to a business and its stakeholders • explain what is meant by sampling • explain sampling methods used by a business, including random, stratified, cluster, systematic, quota and convenience • evaluate the usefulness of methods of sampling for a business and its stakeholders • explain what is meant by market share and market growth • explain the nature and purpose of market analysis • distinguish between quantitative and qualitative market analysis • explain why a business needs to consider both quantitative and qualitative aspects of market analysis • calculate, interpret and analyse market share and market growth • evaluate the impact and importance of market share and market growth to a business and its stakeholders • evaluate the impact and importance of changes in market share and market growth to a business and its stakeholders • evaluate the impact and importance of market research data to a business and its stakeholders • evaluate a business' decisions based on market data • evaluate the impact of ignoring market data for a business and its stakeholders • recommend and justify how a business should respond to positive or negative market growth • recommend and justify how a business should respond to increasing or decreasing market share.

Area of Study	Content	Learners should be able to:
Customer needs	Anticipating consumer needs	<ul style="list-style-type: none"> • distinguish between customers and consumers • distinguish between those marketing methods and approaches which are appropriate for business to business marketing and business to consumer marketing • distinguish between customer and product orientation • evaluate the impact and importance of customer and product orientation to a business and its stakeholders of a business • distinguish between niche marketing and mass marketing • evaluate the usefulness of niche marketing and mass marketing to a business and its stakeholders • explain what is meant by market segmentation • explain ways in which a business may segment its market • evaluate the impact and importance of market segmentation to a business and its stakeholders • evaluate marketing methods, approaches and strategies which are appropriate for business to consumer marketing • evaluate marketing methods, approaches and strategies which are appropriate for business to business marketing.
The marketing strategy	The marketing mix	<ul style="list-style-type: none"> • explain what is meant by the marketing mix • distinguish between local, national and global marketing contexts • evaluate an appropriate marketing mix for local, national and global contexts.

Area of Study	Content	Learners should be able to:
The marketing strategy	Product	<ul style="list-style-type: none"> • explain what is meant by 'product' • explain what is meant by the product life cycle • explain the stages in the product life cycle • explain the purpose of the product life cycle • complete, understand and interpret a product life cycle diagram • evaluate the usefulness of the product cycle to a business and its stakeholders • evaluate the product strategy of a business using: <ul style="list-style-type: none"> ○ product life cycle ○ Boston matrix ○ product portfolio analysis • explain what is meant by a unique selling point (USP) • identify the USP of a business • explain how and why a USP is used by a business • explain what is meant by 'brand' and 'branding' • evaluate the importance of product as an element of the marketing mix to a business and its stakeholders • evaluate the impact and importance of product differentiation to a business and its stakeholders.
	Price	<ul style="list-style-type: none"> • explain what is meant by 'price' • evaluate the possible pricing strategies of a business, including: <ul style="list-style-type: none"> ○ skimming ○ penetration ○ competition-based ○ psychological ○ cost-plus (full-cost based) ○ marginal ○ contribution • explain what is meant by price, income and cross elasticities of demand • calculate and interpret price, income and cross elasticities of demand • evaluate the usefulness of price elasticity of demand to a business • evaluate the impact and importance of price for a business and its stakeholders.

Area of Study	Content	Learners should be able to:
The marketing strategy	Place	<ul style="list-style-type: none"> • explain what is meant by 'place' • evaluate possible distribution strategies of a business, including: <ul style="list-style-type: none"> ○ channels of distribution ○ online, digital and physical distribution (logistics) ○ patterns of distribution • evaluate the impact and importance of place for a business and its stakeholders.
	Promotion	<ul style="list-style-type: none"> • explain what is meant by 'promotion' • evaluate possible promotion strategies for a business, including: <ul style="list-style-type: none"> ○ above the line ○ below the line ○ branding ○ personal selling ○ Internet ○ social media • evaluate the impact and importance of promotion to a business and its stakeholders.
The production process	Methods of production	<ul style="list-style-type: none"> • distinguish between methods of production: job, batch, flow and cell • evaluate the impact and importance of the choice of production method for a business and its stakeholders • evaluate the reasons for the choice of production method • explain what is meant by specialisation and the division of labour • explain the reasons for the introduction of specialisation and division of labour into a business • evaluate the impact and importance of specialisation and division of labour to a business and its stakeholders.
	Services	<ul style="list-style-type: none"> • explain the production process for the provision of services • explain what is meant by customer service in the context of the provision of services • evaluate the importance to a business and its stakeholders of high quality customer service.

Area of Study	Content	Learners should be able to:
Productive efficiency	Productivity	<ul style="list-style-type: none"> explain what is meant by productivity calculate measures of productivity evaluate the impact and importance of productivity to a business and its stakeholders recommend and justify methods to improve productivity in a business.
	Capacity utilisation and management	<ul style="list-style-type: none"> explain what is meant by capacity utilisation explain what is meant by capacity management evaluate the impact and importance of capacity utilisation to a business and its stakeholders evaluate the impact and importance of capacity management to a business and its stakeholders.
	Added value	<ul style="list-style-type: none"> explain what is meant by added value explain how added value can be calculated calculate added value evaluate the usefulness of added value to a business and its stakeholders.
	Economies and diseconomies of scale	<ul style="list-style-type: none"> explain what is meant by economies of scale and diseconomies of scale; internal and external explain types of internal economies of scale, internal diseconomies of scale, external economies of scale and external diseconomies of scale evaluate the costs and benefits to a business from internal and external economies and diseconomies of scale.
	Stock control	<ul style="list-style-type: none"> explain what is meant by stock control explain methods of stock control including stock control charts, just in time (JIT), kanban, fixed reorder stock level, fixed time reordering, economic order quantity and electronic methods of stock control construct, calculate and interpret stock control charts, buffer stock, reorder level and quantities and lead time evaluate the impact and importance of holding and controlling stock for a business and its stakeholders evaluate the relationship between stock control and methods of production in a business.

Area of Study	Content	Learners should be able to:
Productive efficiency	Lean production	<ul style="list-style-type: none"> explain what is meant by lean production explain how and why lean production is used by a business evaluate the impact and importance of lean production to a business and its stakeholders recommend and justify methods of lean production for a business.
Productive quality (fit for purpose)	Internal quality standards	<ul style="list-style-type: none"> distinguish between quality control and quality assurance explain the reasons for quality control and quality assurance in a business calculate and interpret measures of wastage explain what is meant by total quality management (TQM) explain how and why TQM is used in a business evaluate the impact and importance of training in improving quality for a business and its stakeholders.
	External quality standards	<ul style="list-style-type: none"> explain external quality standards including British Standards (BS), European Standards (EN) and International Standards (ISO) – specific knowledge of individual standards is not required evaluate the impact and importance of external quality standards for a business and its stakeholders explain how and why benchmarking is used by a business evaluate the impact and importance of benchmarking for a business and its stakeholders.

2d. Prior learning, knowledge and progression

Learners in England who are beginning an AS level course are likely to have followed a Key Stage 4 programme of study. This course will enable learners to progress to A level courses or combine it with vocational qualifications or progress directly to employment.

There is no formal requirement for prior knowledge for entry onto this AS Level in Business course as all of the required subject content and skills are taught within the specification. There are a number of Business and Enterprise specifications at OCR. Find out more at: www.ocr.org.uk

3 Assessment of OCR AS Level in Business

3a. Forms of assessment

The OCR AS Level in Business consists of two components that are externally assessed. Each component will have a specific focus on a type of business ranging from a small/medium enterprise to national firms. Each examination will be two hours in duration. A Resource Booklet will be provided for

each examination. The Resource Booklet will focus on a real-life business or businesses and provide stimulus material which the learners will need to answer the questions in the examination. The structure of each assessment is as follows:

The local business environment (component 01)

Section A contains multiple-choice questions worth a total of 15 marks. The questions can be drawn from any aspect of the specification.

Section B contains data response questions which relate to the Resource Booklet. This section is worth a total of 45 marks.

The wider business environment (component 02)

Section A contains a number of short answer questions worth a total of 20 marks. The content of these short answer questions will be drawn from any element of the specification.

Section B contains extended response questions which relate to the Resource Booklet. This section is worth a total of 40 marks.

3b. Assessment objectives (AO)

There are four assessment objectives in OCR AS Level in Business. These are detailed in the table below.

Learners are expected to demonstrate their ability to:

	Assessment Objective
AO1	Demonstrate knowledge of terms, concepts, theories, methods and models to show an understanding of how individuals and organisations are affected by, and respond to business issues.
AO2	Apply knowledge and understanding to various business contexts to show how individuals and organisations are affected by and respond to issues.
AO3	Analyse issues within business showing an understanding of the impact on individuals and organisations of external and internal influences.
AO4	Evaluate quantitative and qualitative information to make informed judgements and propose evidence-based solutions to business issues.

The assessment of quantitative skills represents a minimum of 10% of the overall AS level marks.

These quantitative skills may be assessed across the assessment objectives.

AO weightings in AS Level in Business

The relationship between the assessment objectives and the components are shown in the following table:

Component	% of AS Level in Business (H031)				
	AO1	AO2	AO3	AO4	Total
The local business environment (H031/01)	14–16	14–16	9–11	9–11	50%
The wider business environment (H031/02)	14–16	14–16	9–11	9–11	50%
	30%	30%	20%	20%	100%

In addition the learners will be required to demonstrate competence in the quantitative skills which are relevant to the subject content and which are applied in the context of the AS Level in

Business as detailed in Annex 1. The assessment of these quantitative skills will include at least Level 2 mathematical skills as a minimum of 10% of the overall AS level marks.

3c. Assessment availability

There will be one examination series available each year in June to all learners. Assessments by examinations must all be taken in a single year at the

end of the course. This specification will be certificated from the June 2016 examination series onwards.

3d. Retaking the qualification

Learners can retake the qualification as many times as they wish. They retake both components of the qualification.

3e. Assessment of extended response

The assessment materials for this qualification provide learners with the opportunity to demonstrate their ability to construct and develop a sustained line of

reasoning and marks for extended responses which are integrated into the marking criteria.

3f. Synoptic assessment

- Synoptic assessment allows learners to demonstrate their understanding between different aspects of the subject.
- Synoptic assessment involves the explicit drawing together of knowledge, skills and understanding of different aspects of the AS level course. The emphasis of synoptic assessment is to encourage the understanding of
 - how businesses operate in the real world rather than being a purely theoretical approach.
 - For example, break-even analysis can be taught in relation to production but the concept can be applied to sales, similarly SWOT analysis needs only be taught once but can be applied in a number of areas.

3g. Calculating qualification results

A learner's overall qualification grade for AS Level in Business will be calculated by adding together their marks from the two components taken to give their total weighted mark. This mark will then be

compared to the qualification level grade boundaries for the entry option taken by the learner and for the relevant exam series to determine the learner's overall qualification grade.

4 Admin: what you need to know

The information in this section is designed to give an overview of the processes involved in administering this qualification so that you can speak to your exams officer. All of the following processes require you to submit something to OCR by a specific deadline. More

information about these processes, together with the deadlines, can be found in the *OCR Admin Guide and Entry Codes: 14–19 Qualifications*, which can be downloaded from the OCR website: www.ocr.org.uk

4a. Pre-assessment

Estimated entries

Estimated entries are your best projection of the number of learners who will be entered for a qualification in a particular series. Estimated entries

should be submitted to OCR by the specified deadline. They are free and do not commit your centre in any way.

Final entries

Final entries provide OCR with detailed data for each learner, showing each assessment to be taken. It is essential that you use the correct entry code, considering the relevant entry rules.

Final entries must be submitted to OCR by the published deadlines or late entry fees will apply.

All learners taking AS Level in Business must be entered for H031.

Entry code	Title	Component code	Component title	Assessment type
H031	Business	01	The local business environment	External Assessment
		02	The wider business environment	External Assessment

Estimated grades

An estimated grade is the grade the centre expects a learner to achieve for a qualification. These should be submitted to OCR by the specified deadline.

4b. Accessibility and special consideration

Reasonable adjustments and access arrangements allow learners with special educational needs, disabilities or temporary injuries to access the assessment and show what they know and can do, without changing the demands of the assessment. Applications for these should be made before the examination series. Detailed information about eligibility for access arrangements can be found in the *JCQ Access Arrangements and Reasonable Adjustments*.

Special consideration is a post-assessment adjustment to marks or grades to reflect temporary injury, illness or other indisposition at the time the assessment was taken.

Detailed information about eligibility for special consideration can be found in the *JCQ A guide to the special consideration process*.

4c. External assessment arrangements

Regulations governing examination arrangements are contained in the *JCQ Instructions for conducting examinations*.

4d. Results and certificates

Grade scale

Advanced Subsidiary qualifications are graded on the scale: A, B, C, D, E, where A is the highest. Learners who fail to reach the minimum standard for E will be

Unclassified (U). Only subjects in which grades A to E are attained will be recorded on certificates.

Results

Results are released to centres and learners for information and to allow any queries to be resolved before certificates are issued.

Centres will have access to the following results' information for each learner:

- the grade for the qualification
- the raw mark for each component
- the total weighted mark for the qualification.

The following supporting information will be available:

- raw mark grade boundaries for each component
- weighted mark grade boundaries for each entry option.

Until certificates are issued, results are deemed to be provisional and may be subject to amendment. A learner's final results will be recorded on an OCR certificate.

The qualification title will be shown on the certificate as 'OCR Level 3 Advanced Subsidiary GCE in Business'.

4e. Post-results services

A number of post-results services are available:

- **Enquiries about results** – If you are not happy with the outcome of a learner's results, centres may submit an enquiry about results.
- **Missing and incomplete results** – This service should be used if an individual subject result for a learner is missing, or the learner has been omitted entirely from the results supplied.
- **Access to scripts** – Centres can request access to marked scripts.

4f. Malpractice

4 Any breach of the regulations for the conduct of examinations and coursework may constitute malpractice (which includes maladministration) and must be reported to OCR as soon as it is detected.

Detailed information on malpractice can be found in the *Suspected Malpractice in Examinations and Assessments: Policies and Procedures* published by JCQ.

5 Appendices

5a. Grade descriptors

Details to be confirmed by Ofqual.

5b. Overlap with other qualifications

There is significant overlap between the content of this specification and that for OCR's A Level in Business to allow for co-teachability.

5c. Avoidance of bias

The AS level qualification and subject criteria have been reviewed in order to identify any feature which could disadvantage learners who share a protected

Characteristic as defined by the Equality Act 2010. All reasonable steps have been taken to minimise any such disadvantage.

5d. Quantitative skills annex

Annex 1: Quantitative Skills in Business

In order to be able to develop their skills, knowledge and understanding in Business, learners need to have acquired competence in the quantitative skills that are relevant to the subject content and which are applied in the context of a Business AS level, including:

- calculate, use and understand ratios, averages and fractions
- calculate, use and understand percentages and percentage changes
- construct and interpret a range of standard graphical forms
- interpret index numbers
- calculate cost, revenue, profit and break-even
- calculate investment appraisal outcomes and interpret results*

- interpret values of price and income elasticity of demand
- use and interpret quantitative and non-quantitative information in order to make decisions
- interpret, apply and analyse information in written, graphical and numerical forms.

The assessment of quantitative skills will include at least level two mathematical skills as a minimum of 10% of the overall AS level marks and as a minimum of 10% of the overall A level marks.

These quantitative skills may be assessed across the assessment objectives.

** as this skill does not form part of the AS level core content, it may still be assessed at AS level but it must be assessed at A level.*



Your checklist

Our aim is to provide you with all the information and support you need to deliver our specifications.

- Bookmark ocr.org.uk/alevelbusiness for all the latest resources, information and news on AS and A Level Business
- Be among the first to hear about support materials and resources as they become available – register for Business updates at ocr.org.uk/updates
- Find out about our professional development at cpdhub.ocr.org.uk
- View our range of skills guides for use across subjects and qualifications at ocr.org.uk/skillsguides
- Discover our new online past paper service at ocr.org.uk/examcreator
- Learn more about Active Results at ocr.org.uk/activeresults
- Join our Business social network community for teachers at social.ocr.org.uk

Download high-quality, exciting and innovative AS and A Level Business resources from ocr.org.uk/alevelbusiness

Free resources and support for our AS Level Business qualification, developed through collaboration between our Business Subject Specialists, teachers and other subject experts, are available from our website. You can also contact our Business Subject Specialists for specialist advice, guidance and support, giving you individual service and assistance whenever you need it.

Meet the team at ocr.org.uk/businesssteam and contact them at:

01223 553998

business@ocr.org.uk

[@OCRexams](https://twitter.com/OCRexams)

To stay up to date with all the relevant news about our qualifications, register for email updates at

ocr.org.uk/updates

Business community

The social network is a free platform where teachers can engage with each other – and with us – to find and offer guidance, discover and share ideas, best practice and a range of Business support materials.

To sign up, go to social.ocr.org.uk

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