

Business Studies - Level 2

Time allowed

2 hours plus 5 minutes reading time. Note making during reading time is **not** allowed.

Aim

The aim of the examination is to test the candidate's ability to express an understanding and knowledge of modern business and its domestic and international environment

Candidates will be expected not only to have a firm grasp of the underpinning theory of the subject area, but additionally they will be required as far as is practicable to apply their knowledge in order to offer solutions to business problems.

Candidates must

- Apply theory and use appropriate vocabulary to describe business situations and solve commercial problems, including the application of simple numerical methods.
- Use various given input data to select and produce and communicate relevant and meaningful information.
- analyse, discuss and communicate effectively by use of report, memorandum, etc.
- Demonstrate an appreciation of the need for innovation and change within the business world and have a basic understanding of the problems created.

Target population

People who wish to develop skills to enable them to function competently in a broad range of business situations. It is particularly suitable for

- Those who aspire to administrative and managerial roles and who need to cultivate the ability to understand and interact effectively with people in different business functions.
- Those seeking to work in a specialist function (eg banking, insurance) who, to enhance their effectiveness in dealing with customers and the like, require a broad knowledge of business at local, national and international levels.

Objectives

1. Business context

Candidates should be able to complete the following:

- Demonstrate an understanding of the theory of enterprise and the economic principles upon which all businesses operate taking into account differences in size and activity.
- Explain what is meant by the specialization and division of labour.
- State and explain the factors that determine the location of business.
- Explain the benefits of international trade and the theory of comparative advantage.
- Describe the terms balance of trade and balance of payments and make appropriate calculations.
- Explain the purpose of trade blocs i.e. co-operative and protective.

2. Structure and organization of business

- Explain what is meant by the term 'an organization's business objectives'.
- Illustrate through the use of diagrams or charts, the formal structure of an organization, and indicate the basic principles of management (i.e. delegation, chain of command, span of control).
- Explain in relationship between size, growth and risk in any business organization, including multi-nationals.
- Distinguish between the following: owner capital, loan capital, capital employed, working capital, fixed assets, current assets, turnover and profit.

3. Decision making, planning and control

- Identify and explain the main departments of a business and their individual functions.
- Explain the relationship and interdependence between different departments
- Explain ways in which management might influence planning and control over functions and departments by the introduction of the following techniques: budgeting, costs and pricing, cash control, stock control, credit control.
- Identify the role and methods of market research and marketing in planning and deciding on the appropriate mix of approaches.
- Analyse simple financial data: e.g. final accounts including comparative figures, break-even charts.

4. People in business

- Identify the motivational theories of Maslow, Herzberg and McGregor.
- Explain how works meets human needs and differentiate between financial and non-financial rewards.
- Explain the purpose of recruitment and selection i.e. from person specification to appointment, and the stages involved.
- Describe the main purpose and benefits of induction.

5. Influences and controls on business

- Explain the importance of environmental, social, economic and technological influences on business decisions.
- Explain the impact of information technology on business activity including e-commerce.

The examination

All questions are compulsory. The examination is in two sections.

Section A –

- 12 short answer questions covering topics from all sections of the syllabus.
- 1-3 marks will be awarded for each question in this section.
- A total of **30 marks** will be available in this section.

Section B –

- Two structured answer questions primarily covering syllabus areas 2 and 3 worth 15 marks each.
- One question covering the remaining syllabus areas (1,4 or 5) worth 10 marks.
- A total of **40 marks** will be available in this section.

Assessment

Marks for section A and B are aggregated.

To be awarded a **Pass** candidates must achieve 54%.

A **First Class Pass** will be awarded to candidates who achieve 70% overall.