

# Syllabus

Cambridge International Diploma in Business  
Standard Level  
For assessment in May and October 2013



UNIVERSITY *of* CAMBRIDGE  
International Examinations



# Contents

## Cambridge International Diploma in Business Standard Level

1. Introduction .....	2
1.1 Why choose Cambridge?	
1.2 Why choose Cambridge International Diploma in Business?	
1.3 How can I find out more?	
2. Assessment at a glance .....	4
2.1 Examined modules	
2.2 Results and certification	
2.3 Grade descriptors for examined modules	
2.4 Full Diploma criteria	
3. Syllabus aims and objectives .....	7
3.1 Aims	
3.2 Syllabus structure	
3.3 Target group	
3.4 Length of study	
3.5 Tutor support	
4. Module content .....	9
4.1 Business Organisation and Environment (Core)	
4.2 Effective Business Communication (Core)	
4.3 Business Finance (Optional)	
4.4 Marketing (Optional)	
4.5 Human Resource Management (Optional)	
5. Resource list.....	31
5.1 Textbooks and websites	
5.2 Glossary of terms	
6. Appendix: International standards terminology .....	53

7. Additional information.....	55
7.1 Guided learning hours	
7.2 Recommended prior learning	
7.3 Resources	



# 1. Introduction

## 1.1 Why choose Cambridge?

University of Cambridge International Examinations (CIE) is the world's largest provider of international qualifications. Around 1.5 million students from 150 countries enter Cambridge examinations every year. What makes educators around the world choose Cambridge?

### Recognition

Cambridge qualifications are internationally recognised by schools, universities and employers. Learn more at **[www.cie.org.uk/recognition](http://www.cie.org.uk/recognition)**.

### Support

CIE provides a world-class support service for teachers and exams officers. We offer a wide range of teacher materials to Centres, plus teacher training (online and face-to-face) and student support materials. Exams officers can trust in reliable, efficient administration of exams entry and excellent, personal support from CIE Customer Services. Learn more at **[www.cie.org.uk/teachers](http://www.cie.org.uk/teachers)**.

### Excellence in education

Cambridge qualifications develop successful students. They not only build understanding and knowledge required for progression, but also learning and thinking skills that help students become independent learners and equip them for life.

### Not-for-profit, part of the University of Cambridge

CIE is part of Cambridge Assessment, a not-for-profit organisation and part of the University of Cambridge. The needs of teachers and learners are at the core of what we do. CIE invests constantly in improving its qualifications and services. We draw upon education research in developing our qualifications.

# 1. Introduction

## 1.2 Why choose Cambridge International Diploma in Business?

The Cambridge International Diploma in Business provides a framework for developing the skills and knowledge needed for employment in the increasingly dynamic business environment. CIE has developed the Diploma specifically for the international market, recognising the growing importance of employees working across geographic and cultural borders. The Diploma aims to meet the needs of employers, employees and students, by assessing knowledge and competence in a range of Business areas.

The standards embodied in the Cambridge International Diploma in Business are valued in countries around the world. The syllabus and assessments provide a framework through which candidates, wherever they are, can be assessed reliably against the performance standards.

The syllabus and assessments are available in English. Please note that the Cambridge International Diploma does not directly assess language skills, but is designed to give candidates the opportunity to show that they can apply the skills described in the syllabus specification.

## 1.3 How can I find out more?

### If you are already a Cambridge Centre

You can make entries for this qualification through your usual channels, e.g. CIE Direct. If you have any queries, please contact us at **international@cie.org.uk**.

### If you are not a Cambridge Centre

You can find out how your organisation can become a Cambridge Centre. Email us at **international@cie.org.uk**. Learn more about the benefits of becoming a Cambridge Centre at **www.cie.org.uk**.

# 2. Assessment at a glance

## Cambridge International Diploma in Business Standard Level

### 2.1 Examined modules

The following Core and Optional modules are assessed by examination:

- Business Organisation and Environment
- Effective Business Communication
- Business Finance
- Marketing
- Human Resource Management

Module examinations will be available in two sessions, usually in May and October. A copy of the latest examination timetable for Cambridge International Diplomas is available through CIE administration.

### 2.2 Results and certification

Certification is available at a number of stages in the Diploma in Business:

- Candidates who complete the two Core modules will receive a Core certificate.
- Completion of two additional Optional modules leads to the Cambridge International Diploma in Business.
- It is also possible to study for individual modules, for which certificates are awarded.

Pass, Merit and Distinction grades will be awarded. Candidates who fail to pass an assessment are able to re-take.



# 2. Assessment at a glance

## 2.3 Grade descriptors for examined modules

Results for examined modules of the Diploma in Business at Standard and Advanced levels will be graded Distinction, Merit, Pass or Fail. The following grade descriptors are intended to provide an indication of the level of achievement required by students to achieve each grade. The final grade awarded will reflect the overall performance in the examination.

### **Distinction level grade descriptor**

The candidate will have demonstrated:

- excellent knowledge, understanding and specific application of the theory and skills described in the assessment objectives
- detailed knowledge and thorough understanding of the tasks posed in the examination paper
- well structured answers which demonstrate analysis of the subject matter
- appropriate reference to relevant and specific examples in the context of the case study
- coherent and well argued explanations, including in-depth comment, comparisons and analysis, where necessary
- ability to draw relevant and valid conclusions in context

### **Merit level grade descriptor**

The candidate will have demonstrated:

- good knowledge, understanding and specific application of the theory and skills described in the assessment objectives
- a sound working knowledge and understanding of the tasks posed in the examination paper
- structured answers which show an ability to select and use information appropriate to the subject matter
- ability to provide general references and examples linked to the text
- ability to extract and comment on information available in the text and in the relevant subject matter
- ability to draw relevant conclusions in context

### **Pass level grade descriptor**

The candidate will have demonstrated:

- elementary knowledge, understanding and application of the theory and skills described in the assessment objectives
- relevant knowledge and understanding of the concepts and ideas of the tasks posed in the examination paper
- sequenced responses which contain a reasoned account of the subject matter
- reference to textual/relevant examples, where required
- ability to extract and present information in a logical format

# 2. Assessment at a glance

## 2.4 Full Diploma criteria

A **Distinction** grade overall will be awarded for the full award at each level where candidates achieve:

- four modules at Distinction level
- three modules at Distinction level and one module at Merit level

A **Merit** grade overall will be awarded for the full award at each level where candidates achieve:

- four modules at Merit level
- three modules at Merit level and one module at Distinction or Pass level
- two modules at Merit level, one at Distinction level and one at Pass level
- three modules at Distinction level and one at Pass level
- two modules at Distinction level and two modules at Pass level

A **Pass** grade overall will be awarded for the full Diploma at each level where candidates achieve:

- four modules at Pass level
- three modules at Pass level and one module at Merit or Distinction level
- two modules at Pass level and two modules at Merit level

# 3. Syllabus aims and assessment

## 3.1 Aims

The aim of this Diploma is to assess a candidate's competence in a range of Business skills.

The Cambridge International Diploma in Business (Standard Level) enables students to demonstrate:

- an understanding of the key business concepts
- application of skills to real work environments
- an ability to think and work independently

Candidates can be certificated for individual modules, the Core Certificate, or the full Cambridge International Diploma in Business. To achieve the Cambridge International Diploma in Business at Standard Level, candidates must successfully complete **two** Core modules and **two** from a choice of Optional modules.

The modules available are outlined below:

Business Organisation and Environment	Core module	2 hour examination (plus 15 minutes reading time)
Effective Business Communication*	Core module	2 hour examination (plus 15 minutes reading time)
Business Finance	Optional module	2 hour examination (plus 15 minutes reading time)
Marketing	Optional module	2 hour examination (plus 15 minutes reading time)
Human Resource Management	Optional module	2 hour examination (plus 15 minutes reading time)

\* Candidates with a BEC(H) qualification (Business English Certificate, Higher Level – examined by Cambridge ESOL) can apply for exemption from the Core module Effective Business Communication.

# 3. Syllabus aims and assessment

## 3.2 Syllabus structure

Each module in the Diploma has the following structure:

- Assessment objectives
- Competence criteria
- Skills and knowledge

Assessment objectives are outlined at the beginning of each module and in the tables following. Competence criteria provide the basis of assessment, and give a further breakdown of the objectives.

The Skills and knowledge section identifies the concepts and skills that a candidate will need to demonstrate in the final assessment.

## 3.3 Target group

The Cambridge International Diploma in Business (Standard Level) is aimed both at students who are considering going into work after senior school qualifications and employees in a junior position in the workplace. Candidates will need to have access to business organisations (which can include their own business or institution) in order to conduct research and gather information.

## 3.4 Length of study

Each module is designed to take approximately 40 learning hours. This is only a guide, and Centres should plan the duration of courses of study based on candidates' prior qualifications and experience.

## 3.5 Tutor support

A tutor support pack is available for the Cambridge International Diploma in Business. For further information, please contact CIE Customer Services.

# 4. Module content

## 4.1 Business Organisation and Environment (Core)

### Assessment objectives

- 1 Understand and describe the features and purposes of business organisations
- 2 Investigate and explain the internal structure of a business organisation
- 3 Demonstrate awareness of the elements of employment
- 4 Examine the influences of the environment on business organisations
- 5 Explain the importance of markets and customers

1 Understand and describe the features and purposes of business organisations	
Competence criteria	Skills and knowledge
1.1 Demonstrate understanding of the nature of business activity	<ul style="list-style-type: none"><li>• definitions: business activity, business organisation or firm, goods and services, profit, the factors of production; the basic 'money cycle' or 'circular flow'</li><li>• functions of a business: production, sales etc.; how a business responds to market demand, contributes to the development of the economy, creates employment and wealth, and raises the standard of living</li></ul>
1.2 Identify and compare the types, features and ownership of business organisations	<ul style="list-style-type: none"><li>• economic activity: primary, secondary, tertiary</li><li>• sector: public, private, mutuality (non-profit-making)</li><li>• size: micro, small, medium, large</li><li>• type: sole trader, partnership, private company, public limited company, co-operative society, non-profit-making organisations, nationalised industry, public corporation</li><li>• other business forms: franchise, holding company, multinational</li><li>• ownership: individuals, employees, shareholders, taxpayers, financial institutions, other companies</li><li>• legal: identification of the appropriate legislation and regulations; how and why businesses are registered</li></ul>

# 4. Module content

<p>1.3 Examine and explain the objectives of business organisation</p>	<ul style="list-style-type: none"> <li>profit-making organisations: make a profit [distribute profit to tax, reserves and shareholders]; gain and enlarge a share of the market; increase sales revenue; provide a commercial or public service; provide employment; remain competitive; satisfy customer demand</li> <li>non-profit-making organisations: same objectives as above, but will make a 'surplus' rather than a profit</li> </ul>
<p>1.4 Describe the basic provision and control of capital (general understanding)</p>	<ul style="list-style-type: none"> <li>sources of capital: shares, debentures, loans, overdraft, trade credit, ploughed back profits, lease-back</li> <li>types: share capital, working capital, fixed capital, start-up capital, venture capital</li> <li>costs: impact of various costs on operation and profitability: overheads, direct and indirect costs, fixed and variable costs, use of break-even analysis to monitor costs and to forecast profit</li> </ul>
<p>1.5 Basic understanding of profit and loss account</p>	<ul style="list-style-type: none"> <li>sales less cost of sales = gross profit</li> <li>gross profit less expenses = net profit</li> <li>gross profit margin and net profit margin</li> </ul>
<p><b>2 Investigate and explain the internal structure of a business organisation</b></p>	
<p><b>Competence criteria</b></p>	<p><b>Skills and knowledge</b></p>
<p>2.1 Identify and explain the internal structure of a business organisation</p>	<ul style="list-style-type: none"> <li>purpose of a structure: coordination of resources; distribution of work; target setting; company objectives; identifies levels of authority; provides channels of communication</li> <li>types: hierarchical, flat, matrix; centralised versus decentralised</li> <li>organisation: centralisation versus decentralisation</li> <li>use of the organisational chart for distributing work, accountability, organising employees, target setting, communications, identifying the chain of command, span of control</li> </ul>

# 4. Module content

<p>2.2 Demonstrate awareness and understanding of the roles and duties of people in a business organisation</p>	<ul style="list-style-type: none"> <li>organisational hierarchy (senior, middle, junior management, supervisors, operatives); duties and roles at each level</li> <li>leadership versus management</li> <li>directors: roles, powers and duties; executive and non-executive</li> <li>stakeholders: management, workforce, directors, shareholders, customers, suppliers, bank, community</li> </ul>
<p>2.3 Comprehend the relationship of departments or functions in a business</p>	<ul style="list-style-type: none"> <li>how a business's functional activities (e.g. production, marketing, sales) link together and complement each other</li> </ul>
<p><b>3 Demonstrate awareness of the elements of employment</b></p>	
<p><b>Competence criteria</b></p>	<p><b>Skills and knowledge</b></p>
<p>3.1 Examine and appreciate the organisation of work and working arrangements</p>	<ul style="list-style-type: none"> <li>the nature of different types of employment: permanent, temporary, casual; fixed term contracts; full-time, part-time, flexitime; skilled, semi-skilled, unskilled; job sharing; self-employment</li> <li>the work base: shop, factory, laboratory, office, home, teleworking; working environment; use of technology; hours and pay; training</li> </ul>
<p>3.2 Investigate the rights and responsibilities of employers and employees</p>	<ul style="list-style-type: none"> <li>employers' expectations of employees: co-operation; effective and efficient work to appropriate standard; commitment to the business; acceptance of company codes of conduct; loyalty; have or acquire appropriate skills; ability to work with others and be able to work on own initiative</li> <li>employees' expectations of employers: suitable conditions of work and pay; fair treatment; appropriate training; promotion; not asked to undertake any activity which is illegal or dangerous; understand the role of and need for a staff association or trade union representation; provide means of resolving disputes; financial and non-financial incentives</li> </ul>

# 4. Module content

4 Examine the influences of the environment on business organisations	
Competence criteria	Skills and knowledge
4.1 Explain the influence of the environment on business organisations	<ul style="list-style-type: none"> <li>• economic: acknowledgement of the profit motive; business incentive schemes; the business or trade cycle</li> <li>• political: policies, e.g. intervention, deregulation; attitudes towards business; roles of pressure groups and trade associations</li> </ul>
4.2 The influence of the position in the business cycle on the firm	<ul style="list-style-type: none"> <li>• boom, recession, slump, recovery</li> </ul>
4.3 Research the external pressures and influences on business organisations and discuss how they determine the business climate (PEST analysis)	<ul style="list-style-type: none"> <li>• social: distribution of income, population trends, e.g. numbers available for work</li> <li>• environmental issues: pollution, ecology, location</li> <li>• government policies, e.g. employment, growth, taxation, competition rules (e.g. monopolies and mergers, fair trading)</li> <li>• legal: appropriate legislation affecting the running of businesses, employing people, dealing with consumers</li> <li>• technological: changing use and application; pace of change</li> <li>• markets: domestic; international; inward investment; impact of multinationals</li> </ul>
4.4 Understand the reasons for and the factors affecting the location of business	<ul style="list-style-type: none"> <li>• general factors: labour – supply, skills, reliability; natural resources; proximity to suppliers; access to markets; transport services; availability of facilities and land; geographical (e.g. climate, access to ports)</li> <li>• special factors: incentives – financial aid from domestic or foreign governments, environmental issues – public opinion and pressure, government policies</li> </ul>



# 4. Module content

5 Explain the importance of markets and customers	
Competence criteria	Skills and knowledge
5.1 Investigate the nature of markets	<ul style="list-style-type: none"><li>• local, domestic, international, global; choice and benefits of trading in chosen markets</li><li>• market may be dictated by product, quality, price, government controls, health of the economy, competition</li></ul>
5.2 Demonstrate understanding of the purpose and activities of marketing	<ul style="list-style-type: none"><li>• meet current market demand; influence changing fashion and taste; educate the market; improve existing products; develop new products</li><li>• use of the marketing mix and the promotional mix to increase sales revenue, encourage repeat sales, extend customer base, develop and promote image</li></ul>
5.3 Appreciate the importance of customers and customer relations	<ul style="list-style-type: none"><li>• satisfying customer demand as the focus and aim of the business; profile of customers, e.g. buying habits, buying power, characteristics</li><li>• ways of maintaining customer loyalty and increasing business, e.g. after-sales service, refunds, replacements, delivery arrangements, provision of competitive credit facilities, maintenance of product standards, compliance with the legal provisions</li><li>• use of market segments to increase understanding of market and increase sales opportunities</li></ul>

# 4. Module content

## 4.2 Effective Business Communication (Core)

### Assessment objectives

- 1 Understand and appreciate the business communication process
- 2 Produce and understand effective written business documentation
- 3 Examine effective group communication
- 4 Investigate interviews as an effective means of communication
- 5 Identify and understand the use of visual aids in business communication

1 Understand and appreciate the business communication process	
Competence criteria	Skills and knowledge
1.1 Identify why communication is necessary in business and relate this to a variety of business situations	<ul style="list-style-type: none"><li>• communication is necessary for a business to operate successfully in today's increasingly globalised world</li><li>• business needs to convey clear messages both within the organisation and to the outside business world</li><li>• businesses need to receive and process information effectively</li><li>• identify the different internal and external individuals, groups and organisations with whom people at work communicate, and their different needs: effective and efficient use of information; determining the needs of customers, and responding to those needs</li></ul>
1.2 Choose the appropriate methods, and routes, of business communication	<ul style="list-style-type: none"><li>• appreciate that an organisation that relies only on one-way communication methods is likely to experience business complications, e.g. top-down managers will not receive feedback</li><li>• lack of two-way communication will make an organisation less able to respond to the changing demands of its customers, and will leave people feeling unmotivated; businesses are not self-sufficient, they need to communicate with external people and organisations</li><li>• need to ensure selection of appropriate communication method by asking standard questions: 'What is to be communicated?'; 'Why is it to be communicated?'; 'Who needs to know?'</li></ul>

# 4. Module content

1.3 Evaluate the effectiveness of business communication	<ul style="list-style-type: none"> <li>• availability: it must be accessible to sender and receiver</li> <li>• cost-effectiveness: depends on the level at which it is used</li> <li>• ensuring that the best method of communication is used in a range of business situations</li> </ul>
<b>2 Produce and understand effective written documentation</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
2.1 Investigate methods of writing business letters and develop skills in producing such communications	<ul style="list-style-type: none"> <li>• purposes of business letters: making enquiries, selling, advertising, complaining, recruitment, disciplinary</li> <li>• standard business letter layout, including: corporate image on pre-printed letter heads; salutation ('Dear Sir/Madam'); full address of organisation; telephone and fax numbers, email address and appropriate content in a standard layout</li> <li>• consider tone and appropriate information within the content of the letter, and response mechanisms (when appropriate)</li> <li>• appropriate closure/sign off for letters ('Yours faithfully' and 'Yours sincerely')</li> </ul>
2.2 Investigate methods of writing business reports	<ul style="list-style-type: none"> <li>• realise that the content of a report has three essential elements: 'introduction'; 'development' – sets out the findings and results; 'conclusion and recommendations'. The use of manual and computer generated reports with set house styles</li> </ul>
2.3 Understand the use of other methods of written communication	<ul style="list-style-type: none"> <li>• identifying the appropriate uses and benefits of memos, faxes, emails, SMS, blogs, the Internet and intranet to communicate</li> <li>• understanding the need to use advanced technology (e.g. use of Skype online communication) to enable compatible communication with other countries, and the added emphasis on the written word with the reduction in personal contact</li> <li>• confidentiality of information, and responsibility for data protection, when sending written information by computer</li> </ul>

# 4. Module content

3 Examine effective group communication	
Competence criteria	Skills and knowledge
3.1 Identify appropriate use of verbal and non-verbal communication	<ul style="list-style-type: none"> <li>recognise the use of verbal and non-verbal communication in a variety of business situations, and evaluate the impact they can have in a group context, using examples</li> <li>verbal: tone of voice; appropriate language used</li> <li>non-verbal: interpretation of body language; eye contact, hand gestures, active listening</li> <li>recognise the difficulties of verbal groups: lack of physical contact; lack of visual impact; cultural and language differences; timelines</li> </ul>
3.2 Examine the group rules	<ul style="list-style-type: none"> <li>understand group communication and established 'norms' of group: dress code, behaviour, group hierarchy</li> <li>reasons why groups are formed: sense of belonging; common goals; shared work-place</li> </ul>
3.3 Explain characteristics of effective groups	<ul style="list-style-type: none"> <li>effective communication within groups via appropriate formal and informal channels, including virtual channels</li> <li>examples of formal groups: functional groups – allocating work, managing work of department; self-managing groups – group members organise themselves and make their own decisions; project groups – often a temporary group which carries out a specific task</li> <li>factors affecting group effectiveness: size of the group; group culture; relationships within the group; group process; clear expectation of group and individual roles</li> </ul>
3.4 Identify the characteristics of successful meetings	<ul style="list-style-type: none"> <li>types of business meeting: regular meetings – bring participants together more than once, e.g. company directors' meeting; one-off meetings – for a specific purpose</li> <li>common elements of meetings: desired aims have been identified; members have an interest in end decisions; interests; action points are followed up; meeting takes place in a limited time scale; individual has assumed leadership or been elected</li> </ul>

# 4. Module content

4 Investigate interviews as an effective means of communication	
Competence criteria	Skills and knowledge
4.1 Understand the purpose and nature of business interviews	<ul style="list-style-type: none"> <li>• purpose: to obtain information, pass on information, clarify information</li> <li>• attitude or behaviour-change interviews: suitable for sales, discipline, counselling, performance appraisal reviews</li> <li>• problem-solving and decision-making interviews: suitable for employment interviews, performance appraisal reviews, medical interviews, counselling, grievance procedures, disciplinary interviews</li> <li>• research and development interviews: suitable for market research, polls and opinion surveys, academic and writer research, customer care research</li> </ul>
4.2 Identify appropriate interview structures	<ul style="list-style-type: none"> <li>• non-structured interviews: no prearranged schedule or framing of questions</li> <li>• purpose and topics discussed as interview proceeds: suitable for counselling interviews, but poorly prepared and badly conducted interviews can be dangerous</li> <li>• loose or semi-structured interviews: major questions and follow-ups planned and framed prior to interview – mainly used for selection interviews</li> <li>• structured interviews: all questions, mainly closed, arranged and scheduled in advance – useful for comparing interviewee replies</li> <li>• the effective interview must have a purpose: to be planned and contain controlled interaction</li> <li>• structure: opening, body of interview, listening and questioning, summarising and closing the interview – a two-way process, ending with a summary of key action points</li> <li>• identify the different types of questions which could be used in a business interview: open, closed, leading and scenario or hypothesising questions</li> </ul>

# 4. Module content

<b>5 Identify and understand the use of visual aids in business communications</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
5.1 Identify and understand the different types of visual aids, and prepare data using these techniques	<ul style="list-style-type: none"><li>• table: convenient; easy way to store and present data; straightforward way to summarise number information</li><li>• bar chart: series of bars in a vertical or horizontal format, representing totals or amounts of items being compared, using a common scale</li><li>• pie chart (slices of a circle): scale in use is circular, representing 360 degrees</li><li>• line graph (plotting of information): two sets of information in a line graph are plotted in relationship to one another – one set of data plotted vertically, one horizontally</li></ul>
5.2 Examine the use of flow charts and organisational charts in business communication	<ul style="list-style-type: none"><li>• use of activity charts to plot various operations of a system, giving a graphical picture of the steps and sequences of a procedure</li><li>• use of organisational charts to show levels of authority and responsibility within an organisation, the lines of formal communication, the status and role of employees</li></ul>
5.3 Investigate how technology can enhance visual communication	<ul style="list-style-type: none"><li>• use of computer graphics and manually constructed charts</li><li>• the potential uses of multimedia aids in presenting information, including sound cards and video clips</li><li>• the use of presentation graphics and computer software packages to enhance slide-based presentations, showing progressive information and data</li></ul>

# 4. Module content

## 4.3 Business Finance (Optional)

### Assessment objectives

- 1 Understand the importance and use of finance in different types of business organisation
- 2 Describe the need for and use of financial procedures and reporting
- 3 Identify and explain the need for and use of financial, management and cost accounting methods
- 4 Understand and describe the elements of accounts and accounting records
- 5 Demonstrate the application of basic accounting techniques

1 Understand the importance and use of finance in different types of business organisation	
Competence criteria	Skills and knowledge
1.1 Demonstrate understanding of the nature of business	<ul style="list-style-type: none"><li>• the meaning and purpose of business; the nature of profit: definition, justification; the basic 'money cycle' or 'circular flow'</li><li>• the relationship between profitability and the PEST factors (general understanding)</li><li>• mergers and takeovers (general understanding)</li></ul>
1.2 Demonstrate understanding of the financial and legal implications of different types of business organisation	<ul style="list-style-type: none"><li>• financial and legal responsibilities of sole traders, partnerships and incorporated bodies; duties of directors or owners</li></ul>
1.3 Demonstrate knowledge and awareness of the capital structure of incorporated bodies	<ul style="list-style-type: none"><li>• short term finance (e.g. trade credit, debt factoring, overdraft)</li><li>• long term finance (e.g. retained profits, bank loans, debentures, venture capital)</li><li>• shares and share type (preference, cumulative, ordinary, scrip issue, convertible loan stock)</li><li>• different methods of selling shares (prospectus, private placing, stock exchange etc.)</li><li>• distinction to be made between permanent and non-permanent capital base</li><li>• distinction to be made between increasing the liquidity of the organisation and increasing the capital base of the organisation</li></ul>

# 4. Module content

1.4 Understand the reasons for business finance	<ul style="list-style-type: none"> <li>• acquisition of assets, tangible (e.g. land, vehicles, buildings) and intangible (e.g. patents, trademarks, copyright); provision of working capital (e.g. labour costs, purchase of raw materials and components, cash)</li> </ul>
<b>2 Understand the need for and use of financial procedures and reporting</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
2.1 Demonstrate knowledge and understanding of internal and external needs of financial reporting	<ul style="list-style-type: none"> <li>• internal users of records: management, employees – e.g. monitor, analyse and evaluate performance; financial controls; records of assets and liabilities; capital; taxation; profits</li> <li>• external users of records: banks (loans, overdrafts), suppliers (trade credit), media (reporting), prospective investors (security of investment, growth), owners/ shareholders (vested interest), government departments (statistics, taxation), etc.</li> <li>• distinction between internal and external is sometimes blurred, e.g. owners could be classified as both</li> </ul>
2.2 Demonstrate knowledge and understanding of the basic principles/concepts of financial accounting	<ul style="list-style-type: none"> <li>• principles/concepts include: business entity (business has separate identity as ‘an artificial legal person’), historic cost (valuation of assets at original cost), realisation (profits earned when products legally sold), money terms (values of goods and services expressed accurately), consistency (maintenance of valuation decisions), disclosure (assumed compliance with accounting standards), accruals or matching (costs and revenue matched with the time period in which they occur), materiality (items ignored if insignificant to overall results), going-concern (business viability), prudence (reporting in a conservative manner)</li> </ul>
2.3 Understand the relationship between accounting principles and standards	<ul style="list-style-type: none"> <li>• appreciate the need for international harmonisation of standards: growth of international investment, use of electronic dealing, multinational/transnational firms</li> </ul>



# 4. Module content

<b>3 Identify and explain the need for and use of financial, management and cost accounting methods</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
3.1 Demonstrate understanding of the nature of financial accounting	<ul style="list-style-type: none"> <li>• 'true and fair view' (accurate record of organisation's financial position); concerned with past record; recording and assembling data; summarising financial detail; presenting and communicating information</li> </ul>
3.2 Demonstrate understanding of the nature of management accounting	<ul style="list-style-type: none"> <li>• use of financial information for internal management purposes: analysis, break-even calculation, budgetary control, cost or profit centres, investment appraisal forecasts and planning</li> <li>• link between contribution and profit</li> </ul>
3.3 Demonstrate understanding of the nature of cost accounting	<ul style="list-style-type: none"> <li>• allocation of costs to different activities; recognition of various costs – direct and indirect, fixed and variable, overheads, marginal, unit; enable managers to make decisions, e.g. on pricing, 'make or buy' decisions</li> </ul>
<b>4 Understand and describe the elements of accounts and accounting records</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
4.1 Demonstrate understanding of the concept of double-entry bookkeeping	<ul style="list-style-type: none"> <li>• every transaction is recorded twice, as a debit and as a credit</li> <li>• application of equation: capital = assets – liabilities</li> <li>• mechanism to ensure the balance sheet balances</li> </ul>
4.2 Demonstrate knowledge and understanding of financial records and main books of account	<ul style="list-style-type: none"> <li>• records: invoice, receipt, bank statement, delivery note, purchase order, petty cash voucher, credit note, paying-in slip</li> <li>• books: day book or journal, cash book, ledgers (sales, purchases, nominal, general), bank reconciliation</li> <li>• distinction between cash and credit transactions, purpose of petty cash</li> </ul>

# 4. Module content

<b>5 Demonstrate the application of basic accounting techniques</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
5.1 Demonstrate elementary record and bookkeeping skills	<ul style="list-style-type: none"><li>• record transactions; analyse information into accounts: use and understand double-entry system</li></ul>
5.2 Demonstrate the ability to prepare a basic set of company accounts	<ul style="list-style-type: none"><li>• cash flow statement; profit and loss account; balance sheet</li></ul>

# 4. Module content

## 4.4 Marketing (Optional)

### Assessment objectives

- 1 Understand and describe the purposes and functions of a marketing focus
- 2 Investigate and explain the reasons for, and use of, marketing research for business decisions
- 3 Understand how to identify customer needs and target segments
- 4 Understand and explain the meaning and use of the marketing planning process
- 5 Explain and apply the marketing mix to a product or service

1 Understand and describe the purposes and functions of a marketing culture	
Competence criteria	Skills and knowledge
1.1 Identify the purposes and key activities of a marketing culture within organisations	<ul style="list-style-type: none"><li>• definitions: the relationship between the seller and the buyer, meeting and anticipating the needs of customers; the importance of the customer</li><li>• purposes: to identify, anticipate, influence and satisfy consumer needs; responding to changes in the market; improving market share; entering new markets; increasing awareness of the product or service; achieving organisational goals</li><li>• activities: introduction of basic activities and functions of market analysis and research; segmentation; targeting; marketing mix; promotions mix; measuring the success of activities</li></ul>
1.2 Clearly identify the implications of a market orientation	<ul style="list-style-type: none"><li>• customers: the importance of keeping good customers</li><li>• how to build and maintain customer loyalty through relationship marketing</li><li>• the need for all employees to focus on the customer</li><li>• case studies: identify examples of organisations which have been successful in managing customer/client relationships and building reputations</li></ul>

# 4. Module content

<b>2 Investigate and explain the reasons for, and use of, marketing research for business decisions</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
2.1 Explain the reasons for marketing research	<ul style="list-style-type: none"><li>• definitions: the collection and analysis of market or customer information</li><li>• reasons for undertaking market research: to find out about the market and competitors' products; understand the demand for the product; identify prices the customer will accept; explore customer satisfaction levels; test effectiveness of activities</li></ul>
2.2 Consider the use of different research methods	<ul style="list-style-type: none"><li>• primary: first-hand information obtained from field research, e.g. interviews, focus groups, observation, postal surveys, telephone questionnaires and Internet surveys</li><li>• secondary: second-hand data (i.e. data which has been already collected, collated and published) – known as desk research; sources include company records, government publications, trade associations, specialist libraries, trade journals, competitors and websites</li><li>• suitability: consider usefulness of data collection methods: bias; cost involved; time required; use of marketing research agencies</li></ul>

# 4. Module content

3 Understand how to identify customer needs and target segments	
Competence criteria	Skills and knowledge
3.1 Understand the importance of identifying target segments	<ul style="list-style-type: none"> <li>segmentation - division of market into groups of customers with similar needs</li> <li>consumer bases: identification of different basis for segmentation, e.g. geographic (by country or region), demographic (age, gender, ethnicity, socio-economic class), psychographic (attitude, interest, motivation, lifestyle)</li> <li>business to business bases: identification of different basis for segmentation, e.g. geographic (by country or region), business demographics (size, number of employees, industry type, age of company), purchasing approach (centralised/decentralised, decision making unit), situational factors (size of order, urgency, new or repeat)</li> <li>reasons: identifying new markets; enabling specialisation; gaining competitive advantage in certain segments</li> </ul>
3.2 Identify the planning process for the collection of information	<ul style="list-style-type: none"> <li>objectives: identify the reason for the research (e.g. to find out customers' attitudes, attractiveness of new packaging etc.)</li> <li>select sources of information: primary or secondary data, considering the costs involved, and any possible bias</li> <li>collect data: decide on the best groups of people to survey (sampling); consider the size of the survey to be undertaken</li> <li>analyse data: information gathered must be analysed, in order to be useful</li> <li>conclusions: draw conclusions from the analysis of data, to help with marketing decisions</li> </ul>

# 4. Module content

<b>4 Understand and explain the meaning and use of the marketing planning process</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
4.1 Explain the reasons for effective marketing planning	<ul style="list-style-type: none"><li>• reasons: leading to becoming more competitive; keeping ahead of customers' changing needs; providing a 'map' for employees to work to</li></ul>
4.2 Understand the marketing planning process	<ul style="list-style-type: none"><li>• introduction to external issues (PEST – Political, Economic, Social and Technological), and internal issues (current plans and sales figures), which may influence the marketing plan</li><li>• SWOT analysis: identification of internal Strengths and Weaknesses, and external Opportunities and Threats to the organisation or product</li><li>• objectives: set marketing objectives for the next year (i.e. what do we want to achieve?); SMART objectives (Specific, Measurable, Achievable, Relevant and Time-based)</li><li>• segmentation: identify the best segments which should be targeted</li><li>• marketing mix: basic introduction to the marketing mix (product, price, place, promotion), and how it can be changed for different products and services (people, process and physical evidence)</li><li>• control issues: importance of evaluating effectiveness of marketing activities</li></ul>

# 4. Module content

5 Explain and apply the marketing mix to a product or service	
Competence criteria	Skills and knowledge
5.1 Understand the marketing mix, and the extended marketing mix	<ul style="list-style-type: none"> <li>• definition: the 4Ps – Product, Price, Promotion, Place</li> <li>• definition: the 7Ps – Product, Price, Promotion, Place, People, Process and Physical evidence</li> <li>• balance: consider the importance of achieving the right balance between elements, linked to the marketing plan and the situation/context</li> </ul>
5.2 Describe the importance and impact of each element of the marketing mix	<ul style="list-style-type: none"> <li>• Product (or service): meeting the needs of customers; use; appearance; brand, image; after-sales service</li> <li>• Price: identifying the best pricing strategies; mark-up (cost-plus method); market penetration; market skimming; loss leader</li> <li>• Promotion: understand and consider the most appropriate promotions mix – advertising, sales promotions, personal selling, public relations, direct and digital marketing</li> <li>• Place: choosing the best channels to distribute the product, e.g. wholesalers, retailers, direct methods (electronic marketing (e-marketing) and mail order)</li> <li>• People: the employees involved in delivering a service; training; attitude; uniforms</li> <li>• Process: systems in place to facilitate customer service; appointments; timescales</li> <li>• Physical evidence: appropriate appearance of staff, premises, vehicles, etc.</li> </ul>
5.3 Application of the marketing mix and the Product Life Cycle (PLC)	<ul style="list-style-type: none"> <li>• understand the PLC model; identify each stage of the PLC: introduction, growth, maturity, decline</li> <li>• marketing mix: choosing the best mix of price, product, place and promotion, for goods and services at each stage of the PLC</li> <li>• selected campaigns: examples of successful and unsuccessful campaigns in the context of the 4Ps</li> </ul>

# 4. Module content

## 4.5 Human Resource Management

### Assessment objectives

- 1 Understand the meaning, purpose and organisation of Human Resource Management
- 2 Investigate the employment market and the frameworks within which organisations manage people
- 3 Describe how organisations meet their human resource needs
- 4 Describe the methods used to enable individuals and groups to work together effectively and overcome conflict
- 5 Understand how organisations reward, motivate and develop employees

<b>1 Understand the meaning, purpose and organisation of Human Resource Management</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
1.1 Understand the meaning of Human Resource Management and its purpose	<ul style="list-style-type: none"><li>• meaning: Human Resource Management as the process for creating and maintaining relationships between the people who work for and with them, and between organisations</li><li>• purpose: providing the right mix of skills, controlling the costs of employment (wages and salaries, support (admin) costs, social costs); ensuring the organisation has the ability to react effectively to change</li></ul>
1.2 Understand different approaches to the management of human resources	<ul style="list-style-type: none"><li>• centralised versus decentralised; division of responsibilities between line managers and Human Resources (HR) specialists</li></ul>
<b>2 Investigate the employment market and the frameworks within which organisations manage people</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
2.1 Investigate and explain the significance of the main features of the employment market	<ul style="list-style-type: none"><li>• sectors of employment and trends; age and gender trends; full-time versus part-time versus self-employment trends</li></ul>



# 4. Module content

2.2 Describe the function of organisations which influence how human resources are managed	<ul style="list-style-type: none"> <li>trade unions; employer's associations; government agencies; professional bodies (e.g. British Medical Association, American Society of Training and Development, Hong Kong Management Association)</li> </ul>
2.3 Understand the influence of technical change on human resource management	<ul style="list-style-type: none"> <li>the creation of needs for new skills; the implications for career development, career changes, training and lifelong learning</li> </ul>
2.4 Describe aspects of the legal environment which affect how people are managed	<ul style="list-style-type: none"> <li>employment protection; equal opportunities; health and safety; maternity/paternity; working hours and minimum wage</li> </ul>
<b>3 Describe how organisations meet their human resource requirements</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
3.1 Describe different types of employment contracts	<ul style="list-style-type: none"> <li>permanent; temporary: fixed term; for specific jobs/tasks; part-time</li> </ul>
3.2 Describe the recruitment and selection process	<ul style="list-style-type: none"> <li>recruitment: purpose (finding the right person, presenting a positive image of the organisation); use of job descriptions and person specifications; application forms or CVs; methods for attracting candidates (choosing the right media)</li> <li>selection: letters of application; CVs; application forms; references; tests; interviews</li> </ul>
3.3 Describe how the contract of employment can end	<ul style="list-style-type: none"> <li>resignation; retirement; redundancy; dismissal; mutual agreement; end of contract</li> </ul>
3.4 Describe different ways of organising work	<ul style="list-style-type: none"> <li>different working patterns (day work, shift systems, flexitime)</li> </ul>

# 4. Module content

<b>4 Describe the methods used to enable individuals and groups to work together effectively and resolve conflict</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
4.1 Understand how organisations measure and monitor people's performance at work	<ul style="list-style-type: none"> <li>standards, targets, key competencies; appraisal systems</li> </ul>
4.2 Describe systems for communicating	<ul style="list-style-type: none"> <li>formal consultation and negotiation systems (Works Councils, worker directors), committee structures (safety, consultation)</li> </ul>
4.3 Describe systems for resolving problems	<ul style="list-style-type: none"> <li>individual problem-solving mechanisms (discipline and grievance procedures)</li> <li>improvement initiatives (e.g. Total Quality Management)</li> </ul>
<b>5 Understand how organisations reward, motivate and develop employees</b>	
<b>Competence criteria</b>	<b>Skills and knowledge</b>
5.1 Describe different methods of payment	<ul style="list-style-type: none"> <li>salaries versus wages; fixed rates; piece-work; payment by results; bonuses and profit-sharing systems; share option schemes; pensions</li> </ul>
5.2 Describe the use of fringe benefits/non-financial rewards	<ul style="list-style-type: none"> <li>holidays; company cars; cheap loans; subsidised food and accommodation; health care; preferential access to the organisation's products or services</li> </ul>
5.3 Understand how the nature of work contributes to motivation	<ul style="list-style-type: none"> <li>working conditions; job satisfaction; promotion; working relationships (both with colleagues and managers); recognition; levels of responsibility</li> </ul>
5.4 Understand the main features of training and development	<ul style="list-style-type: none"> <li>induction training; internal versus external training; training on and off the job; skills; continuing professional development (CPD)</li> </ul>

# 5. Resource list

## 5.1 Text books and websites

### Endorsed textbooks

This book has been endorsed by CIE for use with this syllabus. It has been through an independent quality assurance process, and matches the syllabus content closely.

Author	Title	Publisher, Date	ISBN
Nuttall, C	Career Award in Business: Standard Level	Cambridge University Press, 2003	0521750946

### General

The following books provide a lot of useful information that covers all aspects of the subject. They are helpful as general reference material.

Author	Title	Publisher, Date	ISBN
Chambers, I et al.	Business Studies	Causeway Press, 2008	1405892315
Marcouse, I	The Complete A-Z Business Studies Handbook	Philip Allan, 2009	0340987294
Marcouse, I et al.	Business Studies	Hodder Education, 2008	0340966907
Stimpson, P	Cambridge International AS and A Level Business Studies	Cambridge University Press, 2010	0521126568

# 5. Resource list

## Websites

Has information aimed at different levels – GCSE Bitesize has details about how to get hold of supporting materials from the BBC. Online revision and tests are also available.	<a href="http://www.bbc.co.uk/learning">http://www.bbc.co.uk/learning</a>
Aimed at students. Very clear and user-friendly site. Contains study notes, example questions and revision notes. The site also has an area for teachers that provides free material for use in the classroom.	<a href="http://www.s-cool.co.uk">www.s-cool.co.uk</a>
Contains lots of useful information, including revision notes. Aimed at different levels of Business Studies. Also has information for teachers.	<a href="http://www.tutor2u.net">http://www.tutor2u.net</a>
Business and economics service for students, teachers and lecturers. This is a really good site – packed with useful information and things like glossaries of subject specific terminology. Very user friendly.	<a href="http://www.bized.co.uk">http://www.bized.co.uk</a>
The Times 100 Case Studies for Business	<a href="http://www.thetimes100.co.uk">www.thetimes100.co.uk</a>
Service Quality Institute	<a href="http://www.customer-service.com">www.customer-service.com</a>
Customer Care Institute (USA)	<a href="http://www.customercare.com">www.customercare.com</a>
Confederation of British Industry	<a href="http://www.cbi.org.uk">www.cbi.org.uk</a>
British Chambers of Commerce	<a href="http://www.britishchambers.org.uk">http://www.britishchambers.org.uk</a>
A range of resources suitable for CID in Business	<a href="http://www.selectknowledge.com">www.selectknowledge.com</a>
European Union	<a href="http://europa.eu">http://europa.eu</a>
Chartered Institute of Marketing	<a href="http://www.cim.co.uk">www.cim.co.uk</a>
Marketing magazines site – requires registration for 7 day free trial.	<a href="http://www.mad.co.uk">www.mad.co.uk</a>
Advertising Standards Agency	<a href="http://www.asa.org.uk">www.asa.org.uk</a>
Advertising and marketing related data, trends, etc.	<a href="http://www.warc.com">www.warc.com</a>
Direct Marketing Association	<a href="http://www.dma.org.uk">www.dma.org.uk</a>
Company Annual Reports On-Line	<a href="http://www.carol.co.uk">www.carol.co.uk</a>
Department for Business Innovation and Skills	<a href="http://www.bis.gov.uk">www.bis.gov.uk</a>
Institute of Personnel Development	<a href="http://www.ipd.co.uk">www.ipd.co.uk</a>
Registrar of Companies	<a href="http://www.companieshouse.gov.uk">www.companieshouse.gov.uk</a>

# 5. Resource list

## Business Organisation and Environment

Please refer to the list of general books at the beginning of this section.

## Effective Business Communication

Author	Title	Publisher, Date	ISBN	Currently available
Argyle	The Psychology of Interpersonal Behaviour	Pelican, 1994	0140172742	✓
Blundel	Effective Business Communication	Prentice Hall, 1998	0137427018	✓
Bonny	The Business Writing Pocketbook	Management Pocketbooks, 1999	1870471229	✓
BPP study text (CIM)	Customer Communications in Marketing	BPP Learning Media, 2009	0751768138	✓
Carysforth	Communication for Work	Heinemann, 1998	0435455427	✓
Dandi, Daley, MacKall	Teamwork Skills	Facts on File, 2006	0894342126	✓
Evans, D	People, Communication and Organisations	Longman, 2000	0273032690	✓
Eyre & Pettinger	Mastering Basic Management	Macmillan, 1999	0333772407	✓
Hardingham	Working in Teams	Chartered Institute of Personnel & Development, 1999	0852927673	Out of print, but still a valid text
McMillan, S	How To Be a Better Communicator	Kogan Page, 1996	0749420251	Out of print, but still a valid text
Murdock & Scutt	Personal Effectiveness	Butterworth Heinemann, 2002	0750656220	✓
Nolan	Problem Solving, Communication and Teamwork	Penguin, 1989	014012327X	Out of print, but still a valid text
Wood, G	Customer Communications in Marketing	Butterworth Heinemann, 2001	0750653035	✓

# 5. Resource list

## Marketing

Author	Title	Publisher, Date	ISBN	Currently available
Adcock, Bradfield, Halborg & Ross	Marketing: Principles and Practice, 4th edition	Financial Times/ Pitman Publishing, 2001	027364677X	✓
Blythe, J	Essentials of Marketing	Financial Times/Pitman Publishing, 2008	0273717367	✓
Kelley, G & Hyde, M	Marketing in Practice	Butterworth-Heinemann, 2000–2001	0750653043	Out of print, but still a valid text
Lancaster, et al.	Marketing, Essentials of	McGraw-Hill, 2001	0077098609	✓
Kotler, Leong, Ang & Tan	A Global Perspective	Pearson, 2009	9810679521	✓
Mercer, D	Marketing, 2nd edition	Blackwell, 1995	0631196382	✓

## Human Resources Management

Author	Title	Publisher, Date	ISBN	Currently available
Beardwell et al.	Human Resource Management	Financial Times/ Prentice Hall, 2007	0273707639	✓
Goss, D	Human Resources Management: The Basics	International Thomson Business Press, 1997	1861520328	✓
Landale, A	Gower Handbook of Training and Development	Gower publishing, 1999	0566081224	✓
Torrington et al.	Human Resource Management (7th Edition)	Financial Times/ Prentice Hall, 2007	0273710753	✓

# 5. Resource list

## Business Finance

Author	Title	Publisher, Date	ISBN	Currently available
Chadwick, L	Essential Financial Accounting	Financial Times/ Prentice Hall, 2001	0273646591	✓
Millichamp, A	Finance for Non-Financial Managers	Continuum International Publishing Group, 2001	0826453791	✓
Whitehead, G	Success in Principles of Accounting: Student's Book	John Murray, 2001	0719572126	✓
Wood, F & Sangster, A	Frank Wood's Business Accounting, Volume 1	Financial Times/ Prentice Hall, 2008	0273712128	✓

Resources are also listed on CIE's public website at [www.cie.org.uk](http://www.cie.org.uk). Please visit this site on a regular basis as the Resource lists are updated through the year.

Access to teachers' email discussion groups, suggested schemes of work and regularly updated resource lists may be found on the CIE Teacher Support website at <http://teachers.cie.org.uk>. This website is available to teachers at registered CIE Centres.

# 5. Resource list

## 5.2 Glossary of terms

<b>5169 Business Organisation and Environment</b>	
after-sales service	This is a form of customer service provided by an organisation for its customers. It generally includes maintenance, repairs and advice regarding the product or service purchased.
break-even point	The point where a business is making neither a profit nor a loss, but where the income or revenue received is exactly equal to the amount being paid out in costs or expenses.
business	Any organisation set up to produce a product or service, with the intention of making a profit.
business cycle	A recurring change in general business conditions which will enable a business to forecast future events.
business incentive schemes	Schemes, often set up by the state, to encourage the start-up of business, or business expansion and growth.
capital	The funds invested in a business to enable it to buy the assets it needs to carry on trading.
casual employee	Usually paid by the hour or by the day, and taken on only when needed.
centralised	Where a large business decides that all its decisions will be made at head office, therefore centralising all the power.
chain of command	The route through which instructions are issued by managers.
charity	An organisation which exists to raise funds for the needy, or to carry out socially useful work. It is non-profit making.
code of conduct	A form of self-regulation designed and implemented by an organisation, enabling it to set appropriate standards for all employees or firms within an industry.
co-operative	A business organisation, such as a factory, farm or shop, that is collectively owned and operated by a group of people who run it for the benefit of the group.
customer base	The types of customer that the business aims its products at.
debenture	A certificate issued by a company to acknowledge a long-term loan. These can only be issued by limited companies, and are usually taken up by a bank.
decentralised	Where a large business allows all its smaller branches to make decisions for themselves, therefore decentralising the power.



# 5. Resource list

deregulation	Where the government withdraws legislation restricting business practices, to enable the industry to develop without restrictions.
direct costs	Costs that are directly attributable to the production processes, e.g. production line wages and raw materials.
distribution of income	The use of taxes by a government to distribute the national income to national services, such as social security.
factors of production	The resources used in all business activity: land, labour, capital and entrepreneurship.
fair trading	The Fair Trading Act of 1973 gives the Director-General the right to take action against any company or group that tries to reduce competition or fix prices.
financial institutions	Businesses that provide financial services to private individuals or firms, such as loan facilities, insurance and mortgages. Examples of these include banks, building societies, insurance companies and financial advisers.
financial services	Organisations which manage money, capital or credit.
fixed capital	The amount of funds invested in a business which has been used to purchase items that will last a long time, such as office equipment and buildings.
fixed costs	Costs that remains the same regardless of output. If you increase production, these costs will not increase, e.g. rent and rates.
fixed-term contract	An agreement to supply goods or services to a customer for a given period of time.
flat structure	An organisational structure which has very few tiers within its design.
flexitime	Where organisations allow their employees to work hours which suit them, with start and finish times being at the employee's discretion. As long as the employee works the correct number of hours in a week, the times at which they work are irrelevant.
forecasting	Use of the previous year's figures, such as sales figures, to try and predict the next year's figures.
franchise	A business where the owner has purchased the right to sell another's goods. The owner will purchase the brand name, and in return will receive privileges. This enables a small business to run whilst gaining the benefits of belonging to a large organisation, such as group advertising and promotions.

# 5. Resource list

indirect costs	Costs that are not directly attributable to the production process, e.g. administration wages, stationery and heating.
job sharing	Where two or more people share what is normally considered to be one person's job, with each one being paid for the proportion of the job they complete.
lease-back	When a business sells one of its assets to a leasing company, and then pays a fixed amount over a period of time to use the asset.
loans	Money borrowed from a bank to purchase assets for the business, usually over a fixed number of years.
marketing mix	Measures that a business uses to attract buyers to purchase its products or services. This is commonly known as the 4 Ps: Price, Product, Place and Promotion.
market share	The number of sales made by a company in relation to its competitors.
mergers	Merger by combination: when the owners of two businesses agree to join their firms together to make one business. Merger by acquisition: when the owners of one firm absorb another, so the latter firm ceases to exist.
monopoly	A business that has virtually total control of a market and uses this to its advantage, either to raise prices or to ensure no competition can enter the market. Officially, a monopoly is where one firm has a 25% market share.
multinational/transnational	A large business which has production facilities in more than one country.
mutuality	A non-profit making business owned by the investors, who run it in order to benefit its members. Profits are used to increase customer service and are not paid out to shareholders, as is the case with limited companies.
nationalised industry	An industry that is owned and controlled by the state, and which is usually under the direction of a board appointed by the state. Revenues gained from its trading are paid directly to the government, e.g. air traffic control.
organisation chart	A diagram showing the structure of a business in terms of its personnel.
overdraft	An agreement with a bank that allows a customer to draw out more money than is in their current account.
partnership	A business owned by 2–20 people, who share in the control of the business.

# 5. Resource list

plough-back profits	To reinvest the profit made in one year back into the business, without taking any of it out.
population trends	The alteration of the make-up of the total population, in terms of its age group, ethnicity or gender.
primary industry/sector	An industry which involves extracting materials from nature, e.g. coal mining, quarrying and fishing.
private company	A limited company which is not allowed to sell its shares on the stock exchange to the general public. These are usually small family businesses.
profit	The amount of money left when all the costs have been taken away from the income.
profit motive	The aim of a business to gain financial rewards for taking business risks.
promotional mix	Also called 'marketing communications mix'. The combination of methods chosen by a business to communicate about their goods and services.
public limited company (plc)	A limited company which is allowed to sell its shares on the stock exchange to the general public.
pyramid structure	An organisational structure in which power and responsibility are built up in layers.
reserves	Amounts of money which are held within a business, in order to ensure that funds are available in the future for a particular project or special event.
secondary industry/sector	A manufacturing or construction industry which changes raw materials into products, e.g. car manufacturer.
shareholder	A person or organisation who owns shares in a limited company.
shares	A unit of investment made in a limited company, which allows the holder to receive dividends or benefits in relation to the number of shares held. Shares can be purchased by a member of the public through the stock exchange.
sole trader	A business owned by one person.
span of control	The number of people working directly under a manager.
stakeholder	A person or organisation with an interest in a business venture, either financially or politically.
start-up capital	The amount of capital invested by the owner of a business in order to get the business up and running.

# 5. Resource list

surplus	In a non-profit-making organisation, the amount left when costs are taken away from income.
target setting	A management function which enables the business to progress and set attainable targets for the future. This process can cover any time period, such as weekly, monthly or annual targets.
taxation	The main method used by central and local governments for raising revenue.
tertiary industry/sector	Industries that do not produce anything, but provide a service, e.g. hotels and management consultants.
trade credit	Credit given to a firm by another firm, usually one within the same line of business.
trade union	An organisation that is set up to represent the workers within a particular industry, and to lobby their employers for better pay, conditions and working hours.
variable costs	Costs that alters when output changes, e.g. raw materials.
venture capital	Risk capital, usually in the form of a package of loan and share capital, to provide sufficient investment in a small or medium-sized business that wishes to produce a new product.
working capital	The amount of funds available to the business which can be used for daily trading, such as buying stock.
<b>5162 Effective Business Communication</b>	
action points	A list of actions that must be undertaken by selected individuals, which has been agreed at a meeting.
aims	Long-term intentions.
bar chart	A diagram that gives a quick comparison between variables, e.g. the number of people working in each department.
body language	Hidden messages sent through body movement, e.g. a nodding head often means agreement.
clarify information	To check understanding of the facts and/or figures.
communication	The process of transferring information from one person to another.
corporate image	The perception of an organisation that is held by employees, customers, the government and the public.
cost-effectiveness	Giving a satisfactory return for the amount spent.
counselling	Advice given.

# 5. Resource list

disciplinary interview	A meeting to discuss an employee's inappropriate actions.
email	Electronic mail sent from one computer to another.
employment interview	A formal interview to find out about a person's suitability for a vacancy within the company.
external	Outside the organisation.
fax	An exact copy of a document, sent from one fax machine to another through telephone lines.
formal channel	Information being passed conforms to the official structures set within the organisation.
functional group	A group focusing on activities within an individual department.
grievance procedure	A formal interview discussing an employee's complaint about the way they are treated.
group culture	The 'unwritten rules' that influence the behaviour, decision-making and management style of employees within a company.
group hierarchy	The position of each individual within an organisation.
informal channel	Information being passed outside the official channels of communication within an organisation.
interaction	Communication between people.
Internet	The information superhighway, linking millions of computers worldwide.
leadership	Being in charge.
line graph	A diagram that joins a series of points showing the relationship between two variables.
market research	The process of gathering data on consumers, in relation to the product a business sells.
memos	An official written internal document, for information that is brief or urgent.
multimedia	The computerised presentation of information, by combining audio and video components using text, sound and graphics.
non-verbal communication	Body language, e.g. eye contact, hand gestures.
obtain information	Gather the facts and/or figures.
one-way communication	The sender of a communication receives no feedback.
organisational chart	A diagram showing the position of management and employees within an organisation.

# 5. Resource list

performance appraisal review	An assessment of an employee's work over a period of time.
pie chart	A diagram with a circle split into proportional slices to represent different items.
project group	A group focusing on a particular activity.
receiver	A person receiving information.
report	A written business document.
research and development interview	A meeting focusing on new ideas for a business, and how these ideas can be turned into commercially viable products.
self-managing group	A group that is responsible for itself – for identifying problems and solving them.
semi-structured interview	An interview with pre-set main questions, then follow-up questions which are decided during the interview.
sender	An individual issuing information.
set house styles	Strict layout rules, established by an organisation for its business documents.
structured interview	An interview in which all questions are formally set in advance.
table	Rows and columns of information (normally figures).
two-way communication	The sender of a communication receives feedback.
verbal communication	Oral or written communication.
<b>5163 Business Finance</b>	
<i>accounting</i>	
financial accounting	The preparation of business accounts from business records.
management accounting	The preparation of financial statements, reports and data, for use by managers.
cost accounting	A subsidiary of management accounting, which tries to establish precise information regarding the cost of the business activity.
<i>assets</i>	
tangible assets	Physical assets, e.g. land, building, equipment, etc.
intangible assets	Non-physical assets, e.g. patents, trademarks, copyright, etc.
balance sheet	A summary of the financial position of a business at a point in time, including liabilities and assets.

# 5. Resource list

bank loan	A fixed sum of money, lent for a fixed period of time at a set rate of interest, from one of the commercial banks.
bank reconciliation	The agreement of the bank columns of a cash book.
book value	The current value of an asset – historic cost minus accumulated depreciation.
break-even	The quantity of sales at which total costs equal total revenue.
budgetary control	The monitoring of financial targets for the future.
business entity	Business identity as ‘an artificial legal person’.
capital	The money invested in a business by its owners.
capital expenditure	Spending on assets which will last for more than one production time period.
cash book	A ledger which is used to enter incoming and outgoing payments.
cash flow	Cash inflows and outflows over a period of time.
copyright	The exclusive legal right to an originator of material over that material, e.g. to print, publish, perform or film it, etc.
<i>cost</i>	An expense incurred in operating a business.
direct costs	Costs that a business can link directly with the output of the business, e.g. raw materials.
indirect costs	Costs which cannot be attributed to just one product.
fixed costs	Costs which do not vary with number of output units produced.
variable costs	Costs which vary with the number of output units produced.
marginal costs	The addition to total costs of producing one extra unit of output
unit/average cost	The cost of producing a single unit of output, i.e. total cost of production divided by total output.
cost centres	Divisions of the costs according to the functions of a business.
credit	A positive entry in an account book, recording a payment received.
credit note	A supplier’s note agreeing or certifying a rebate, usually issued on goods returned.
day book	An account book used for the initiation of credit transactions, where goods are sold on credit.
debit	A negative entry in an account book, recording a payment made.

# 5. Resource list

debt factoring	A short-term source of finance where the risk of collecting the debt becomes that of a third party (called the factor), who 'buy' the debts of firms for cash.
disclosure	Assumed compliance with accounting standards.
double-entry bookkeeping	Records where entries are made onto books or ledgers as both a credit and a debit.
forecast	An estimate or calculation of budgets for the future.
going concern	The notion that the business will continue to operate. This ensures that closing balances become opening balances.
historic cost	The valuation of assets at their original cost.
incorporated body	A company recognised in law.
investment	The production of items that are not for immediate consumption. The purchase by an organisation of equipment and materials that will add to capital stock. To lay out money in an enterprise with the expectation of profit.
<i>investment appraisal</i>	The analysis of the viability of an investment project.
average rate of return	The measurement of net return per annum expressed as a % of initial investment.
internal rate of return	The rate of return at which the net present value is equal to zero.
net present value	The present value of a future income stream minus the initial cost of the investment.
invoice	A list of goods shipped or sent, or services rendered, with prices and charges.
journal	See 'day book'.
<i>ledgers</i>	Account ruled books used for recording information, in money values, of the day-to-day trading of a business.
purchase ledger	A ledger recording the goods and services purchased by a business.
sales ledger	A ledger recording the sales made by a business.
nominal/general ledger	A ledger recording sales, purchases, bank receipts and payments, cash receipts and payments, transfer of money from accounts, etc.
<i>liabilities</i>	Items owed by the business that can be long term or current.
current liabilities	Liabilities that are likely to require repayment within one year.
long-term liabilities	Liabilities with a repayment period beyond one year.



# 5. Resource list

money cycle	Also called 'circular flow'. The way in which money flows from businesses to households by the exchange of goods and services, and factors of production.
money terms	Values of goods and services expressed accurately in terms of currency units.
overdraft	A situation where withdrawals exceed payments in an account.
overheads	The sum of all business costs which cannot be traced to specific units of output, or are not traced because it is too costly or inconvenient to do so.
partnership	An association consisting of 2–20 people, who agree to contribute money, labour and skill to a business for the benefit of all, and to share the profits and losses.
patent	A government authority to an individual or organisation, conferring a right or a title.
<i>profit</i>	Total revenue minus total cost.
gross profit	Sales revenue minus cost of sales.
net profit	Gross profit minus trading expenses.
profit and loss account	An account showing how the net profit of a business, and the retained profit of a company, are calculated.
profit centre	Calculation of profit for a particular product or section of a business.
profits	Excess of revenues over outlays and expenses in a business enterprise over time.
raw materials	Inputs into production that are provided by nature.
realisation	Profits earned when products are sold legally.
receipt	A record of a payment made.
retained profit	Those profits kept in the business after the owners have taken their share of the profits.
share capital	Funds introduced into the business through the issue of shares – the maximum amount of money that can legally be raised through the sales of shares.
<i>shares</i>	The division of capital into smaller equal portions.
cumulative shares	Shares which allow for dividends unpaid in one year to be paid in subsequent years.
ordinary shares	Shares which attract variable dividend payments and have strong voting rights – also known as equities.

# 5. Resource list

preference shares	Shares carrying a fixed rate of dividend which is payable from a company's available profits. Preference shares have limited voting rights.
sole trader	A business in which the owner provides the capital and takes all the profits, and carries the risk of the business alone.
taxation	The act or principle of levying compulsory financial contributions, imposed by the state to raise revenue.
trade credit	An agreement allowing a business to buy goods and services, and to pay for them over a fixed period of time.
trademark	A device or word secured by legal registration.
trading account	The financial statement that records the trading activities of the business and generates the gross profit figure.
transnational/multinational	An organisation whose operations extend beyond national boundaries.
true and fair view	A testimony that accounts give an honest interpretation of the financial transactions of a business.
variance analysis	An investigation of the differences between actual and forecasted figures.
<b>5164 Marketing</b>	
advertising	The use of paid-for space in a publication, or for time on television, radio or cinema, usually as a means of persuading people to take a particular course of action, or to reach a point of view. Advertising may also be taken to include posters and other outdoor advertising.
bias	A statistical term referring to errors in sample survey results, which may be due to the use of an unrepresentative sample, or to undue influence upon the response by the agency conducting the survey, or a combination of such causes.
competitive advantage	Some benefit or value provided by a product, service or business, often unique to the organisation concerned, that gives it superiority in the marketplace.
demographic segmentation	The division of the market into groups, based on demographic variables such as age, sex, income, occupation, family size, family life cycle, education, race/nationality.
desk research	Obtaining facts and information from sources which are already published (e.g. directories), or which are readily accessible (e.g. sales records), as opposed to field research.

# 5. Resource list

direct marketing	A producer supplying direct to consumers, without the use of any retail outlet. This includes mail order companies, and direct response firms selling through the media or by post.
field research	That part of a market research survey which involves contact with customers, or with a representative sample of the population.
focus group	A small sample group of typical consumers, under the direction of a leader who elicits reaction to a stimulus, such as an advertisement or a new product concept.
geographic segmentation	The division of a market into different geographical areas, such as neighbourhoods, regions, countries or cities.
marketing culture	A business that has adopted the marketing concept throughout the whole organisation.
marketing mix	A planned mixture of the elements of marketing in a marketing plan. The aim is to combine them in such a way as to achieve the greatest effect at minimum cost. Also referred to as the 4Ps or the 7Ps.
marketing objective	Where an organisation aims to be in the marketplace within a specified time. This may be broken down into products and territories, coupled with sales turnover figures and market share.
market orientation	Seeking to identify and quantify customer requirements, and planning output and profitability accordingly.
marketing plan	A written plan, usually comprehensive, describing all activities involved in achieving a particular marketing objective, and their relationship to one another in both time and magnitude. A marketing plan will include short- and long-term sales forecasts, production and profit targets, pricing policy, promotional and selling strategy, staffing requirements, and also the selected marketing mix and expense budgets.
marketing planning process	The process of analysing marketing opportunities, selecting target markets, developing appropriate marketing mixes and putting in measures to control the process.
marketing research	Any research activity that provides information relating to marketing operations. Whilst the term embraces conventional market research, also included are motivation studies, advertisement attention value, packaging effectiveness, logistics, and media research, as well as analysis of internal and external statistics of relevance.

# 5. Resource list

market penetration	A strategy for increasing sales of current products into existing target market segments (by winning competitors' customers, increasing product usage, or taking over a competitor).
market research	Research into a particular market.
market share	The proportion of a particular market held by an organisation.
market skimming pricing	Setting a high price for a new product with the aim of 'skimming' high revenues from segments willing to pay high prices. The business sells less, but at a more profitable price.
personal selling	The process of making oral commercial representations during a buyer/seller interview situation. This is colloquially referred to as face-to-face selling, and sometimes known as buyer/seller interface.
PEST	Political, Economic, Social and Technological analysis of an organisation's environment.
PLC	The Product Life Cycle – a term used to describe the stages in the life cycle of a product: introductory, growth, maturity and decline. At each stage, a different marketing mix is appropriate.
primary research	Information gathered for a specific purpose.
promotions mix	The combination of advertising, public relations, personal selling and sales promotion that a business uses to achieve its promotional objectives.
public relations	A conscious effort to improve and maintain an organisation's relationships with such people as employees, customers, shareholders, local communities, trade unions. The aim of this is to strengthen reputation, i.e. to build corporate image. Not to be confused with press relations.
sales promotion	Any non face-to-face activity concerned with the promotion of sales, but often taken also to exclude advertising. In consumer marketing, frequently used to denote any below-the-line advertising expenditure, and having close connections with in-store merchandising.
secondary research	Information that already exists, having been gathered for another purpose.
segmentation	The breakdown of market into discrete and identifiable elements, each of which may have its own special requirements of a product, and each of which is likely to exhibit different habits affecting its exposure to advertising media. Other marketing factors, such as optimum price, quality, packaging and distribution, are likely to differ between one segment and another. Typical breakdowns are based upon age, social standing, income, sex, geographical location, leisure pursuits.

# 5. Resource list

survey research	The gathering of primary research through either postal, face-to-face or telephone surveys. Questions are asked to identify knowledge, attitude, behaviour and preferences.
SWOT analysis	An analysis of Strengths, Weaknesses, Opportunities, Threats – a situation assessment used in marketing planning.
targeting	Choosing a medium which will direct an advertising message at a narrowly defined market segment.
target segment	A set of buyers, sharing common needs or characteristics, that an organisation decides to target.
<b>5165 Human Resource Management</b>	
appraisal	The process of assessing the progress and effectiveness of an employee.
bonus	An additional payment for reaching a sales or production target, or in recognition of service, or a share of profits.
centralisation	All authority to take decisions is held by the senior management.
consultation	The process of seeking the views of others before making a decision.
contracting out	Giving tasks to independent or outside suppliers, rather than directly employing the staff to do them, e.g. cleaning, computer servicing, catering.
CV	Curriculum Vitae – a document which normally accompanies a job application form and which contains the details about a candidate's career history.
decentralisation	The authority to take decisions is delegated downwards through the chain of command, giving more responsibility to those in less senior positions.
disciplinary procedure	The process by which employees are reprimanded, punished or even dismissed, as a result of their failure to work according to their employment contract and/or company code of conduct.
dismissal	The loss of an employee's job (also known as being 'given the sack'), as a result of incompetence, or some infringement of conduct or rule.
employers' association	An organisation representing the interest of employers, within either an economic sector or an industry. The association's activities include research, public relations, negotiation and lobbying.
employment contract	A legal document or agreement, which sets out the terms and conditions of either a specific job or a category of job.

# 5. Resource list

employment protection	The structure of laws, regulations and agreements which safeguard employees from, for example, unfair dismissal, exploitation or inadequate pay.
equal opportunities	Employees and prospective employees have equal chances of advancement and employment, regardless of their religion, gender, disability or race.
fixed rate	A rate of pay that is fixed. It is generally applied to work that is not easily measured.
fixed-term contract	An employment contract for a specific period of time, usually for a particular task.
flexitime	An arrangement allowing employees to complete their working week at times largely convenient to them. Usually, a minimum number of hours must be worked during a specified time period, but the employee's starting and finishing times are flexible.
fringe benefits	Benefits given to employees in addition to wages or salary, e.g. a company car, subsidised meals, medical insurance. Fringe benefits help to motivate staff and to maintain their loyalty.
grievance procedure	The means by which employees can seek to resolve complaints of alleged or real breaches of the terms and conditions of their employment.
health and safety	Employers should provide, as far as is practicable, a safe working environment, as well as appropriate safety equipment, clothing and training.
human resource management	The employment, training and development of an organisation's workforce, to ensure it is effective and efficient.
induction training	An initial or introductory programme, designed to ease new employees into an organisation. The emphasis is on rules and procedures, key personnel, terms and conditions.
job creation	Government and/or business sponsored schemes to create employment in economically depressed areas.
job description	A detailed statement identifying what a job entails, i.e. the nature of the work, responsibilities, tasks, measurement of performance, accountability.
job satisfaction	The extent to which employees feel positive about themselves and their work. Job satisfaction can be encouraged by recognition of effort. The lack of job satisfaction will lead to absenteeism and high staff turnover.
lifelong learning	The idea that learning (education and training) is an on-going experience.

# 5. Resource list

line managers	Managers operate in a hierarchical structure, and are delegated a certain amount of authority and responsibility. They may delegate in turn.
media	The means or channels through which jobs can be advertised. The media include radio, television, magazines and journals, cinema, posters and newspapers.
negotiation	The process by which opposing interests (e.g. those of the employer and those of the employees) try to come to mutually acceptable decisions.
payment by results	Sometimes referred to as PBR. A system of wages designed to achieve specific targets, or generally a higher rate of output. Commission is an example of PBR.
person specification	A description of the qualities, attributes and characteristics required in a person for them to carry out a particular job.
piecework	A method of wages based on output. The employee receives a payment or rate for each item they produce.
problem-solving mechanism	A process which seeks to resolve problems and conflicts at work through, for example, disciplinary and grievance procedures.
professional body or association	A form of trade union, as it may represent its membership in bargaining with employers, but it is also responsible for setting and maintaining professional standards.
profit-sharing	Employees are paid a share of the company's profits, usually in the form of an annual cash bonus.
redundancy	A form of dismissal, except that redundancy can only occur if a particular job or function ceases to exist. An organisation cannot declare a person redundant and then appoint someone else to the same or equivalent job.
references	Written statements in support of a candidate's job application. They contain comment about the person's character, abilities, and suitability. References are important in the recruitment process.
resignation	An employee voluntarily ends the employment contract, by leaving the business. The period of notice they are required to give will depend upon the nature of the contract and the status of the employee.
retirement	An employee either reaches the end of their working life, or chooses to give up work altogether, to live on a pension.
salary	A method of pay based on a year's work. For example, a job may carry a salary of \$20,000, and for that payment the employee is expected to do the job, regardless of the number of hours it takes.

# 5. Resource list

service contract	An employment contract mostly given to senior management. It usually specifies long periods of notice, and high compensation payments in the case of dismissal.
share option scheme	An incentive usually offered to management which permits them to buy company shares at a future date, say within 3–5 years, at today's price. For example, if the current share price is 50c and a future purchase is made when the price is \$2, then the executive can sell the shares and make \$1.50 profit on each.
shift system	Work is undertaken during non-standard working hours, usually in 3 × 8 hour shifts in every 24-hour cycle. Shift working maximises the use of plant and equipment, to increase output.
social costs	The costs to the whole community of a business decision. For example, if a business issues redundancy notices, the resulting unemployment can affect the entire community.
support costs	The costs additional to pay involved in employing staff, e.g. protective clothing, training, company pension contributions.
Total Quality Management (TQM)	A method of monitoring the production process, to prevent errors and poor quality. It attempts to influence the attitudes and actions of the workforce, in order to create a quality culture.
trade union	An organisation representing employees' interests, e.g. pay, safety, training and conditions.
training: off-the-job	All forms of training carried out away from the actual workplace, e.g. college, training centre, conference room.
training: on-the-job	Training or instruction carried out at the actual place of work.
wage	A method of pay based on one hour's work. The pay packet may be issued weekly, but it will represent the actual hours worked.
worker director	A representative of the workforce who sits on the board of directors as an acknowledged director, not just as an observer.
works council	A meeting or committee comprising representatives from both management and the general workforce. It discusses the development and improvement of the business and its processes.



# 6. Appendix: International standards terminology

The list below identifies the international standards terminology and current CIE/UK usage. CIE anticipates including well-known standards, which are relevant to the level of study, in question papers, mark schemes and associated documents.

Centres should use the new terminology in their teaching and learning materials so that candidates are familiar with the terms. Candidates will **not** lose marks for using different terms.

International usage	Current CIE/UK usage
Statement of financial position (balance sheet)	<i>Balance sheet</i>
Bank (and other) loans/ Interest bearing loans and borrowing	<i>Loans repayable after 12 months</i>
Bank overdrafts and loans/ Interest bearing loans and borrowing	<i>Loans repayable within 12 months</i>
Capital or equity/shareholders' equity	<i>Capital</i>
Cash (and cash equivalents)	<i>Bank and cash</i>
Cost of sales	<i>Cost of goods sold</i>
Current assets	<i>Current assets</i>
Current liabilities	<i>Current liabilities/ Creditors: amounts due within 12 months</i>
Finance costs	<i>Interest payable</i>
Finance income/investment revenues	<i>Interest receivable</i>
Financial statements	<i>Final accounts</i>
Gross profit	<i>Gross profit</i>
Income statement (statement of comprehensive income)	<i>Trading and profit and loss account</i>
Intangible assets	<i>Goodwill etc.</i>
Inventory/inventories (of raw materials and finished goods)	<i>Stock</i>
Investment property	<i>Investments</i>
Non-current assets	<i>Fixed assets</i>
Non-current liabilities	<i>Long term liabilities/ Creditors: amounts falling due after more than one year</i>
Operating profit	<i>Net profit</i>

# 6. Appendix: International standards terminology

Other operating expenses	<i>Sundry expenses (administration and distribution)</i>
Other operating income	<i>Sundry income</i>
Other payables	<i>Accruals</i>
Other receivables	<i>Prepayments</i>
Plant and equipment	<i>Plant and equipment</i>
Property	<i>Land and buildings</i>
Raw materials Ordinary goods purchased	<i>Purchases</i>
Revenue	<i>Sales</i>
Share capital	<i>Share capital</i>
Trade payables	<i>Creditors</i>
Trade receivables	<i>Debtors</i>
Work in progress	<i>Work in progress</i>

# 7. Additional information

## 7.1 Guided learning hours

Each module is designed on the assumption that candidates have about 40 guided learning hours per module over the duration of the course. ('Guided learning hours' include direct teaching and any other supervised or directed study time. They do not include private study by the candidate.)

However, these figures are for guidance only, and the number of hours required may vary according to local curricular practice and the candidates' prior experience of the subject.

## 7.2 Recommended prior learning

There are no formal candidate entry requirements for the Cambridge International Diploma in Business, but Centres should give consideration to a candidate's qualification history and experience. It is the Centre's responsibility to ensure the suitability of a candidate for entry to this course.

## 7.3 Resources

Copies of syllabuses, the most recent question papers and Principal Examiners' reports for teachers are available on the Syllabus and Support Materials CD-ROM, which is sent to all CIE Centres.

Resources are also listed on CIE's public website at [www.cie.org.uk](http://www.cie.org.uk). Please visit this site on a regular basis as the Resource lists are updated through the year.

Access to teachers' suggested schemes of work and regularly updated resource lists may be found on the CIE Teacher Support website at <http://teachers.cie.org.uk>. This website is available to teachers at registered CIE Centres.

University of Cambridge International Examinations  
1 Hills Road, Cambridge, CB1 2EU, United Kingdom  
Tel: +44 (0)1223 553554 Fax: +44 (0)1223 553558  
Email: [international@cie.org.uk](mailto:international@cie.org.uk) Website: [www.cie.org.uk](http://www.cie.org.uk)

© University of Cambridge International Examinations 2010