

SEC SYLLABUS (2009)

BUSINESS STUDIES

SEC 05

SYLLABUS

Business Studies SEC 05 Syllabus	(Not available in September) Paper I (2hrs) + Paper II (2hrs) + Project
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Introduction

Business Studies is a course that is firmly based upon current business practice and organisation. While being broad and flexible it is relevant, rigorous, and balanced, thus providing commercial students with a strong foundation for courses of further specialisation such as Economics, Accounting and Marketing. Business Studies is also a key subject in the formative aspects of the student as a consumer, citizen and worker.

The educational aims of the Business Studies course are to:

1. Provide a broad understanding of the activities that take place within a business environment with special reference to the local environment, and of the way in which changes in that environment influence business behaviour;
2. Enhance the realisation that business activity is dynamic and to help students identify and understand the changes in social, political, legal, commercial, economic and above all technological influences, to which business activity has to respond;
3. Understand the diversity and complexity of modern business activities and how these activities are interrelated;
4. Provide knowledge of the major institutions and organisations within the private and public sectors of the economy, and an understanding of the socio-economic and commercial roles of these institutions;
5. Develop an awareness of how the main types of business and commercial institutions are set up, organised, financed and operated and how their relationships with other organisations, consumers, employees, owners and society at large are controlled and regulated within a legal framework of rights and duties;
6. Develop an appreciation of the marketing of factor inputs and product outputs of businesses and the forces which determine and control them;
7. Develop the need for decision making in business and how knowledge and understanding of business language, concepts and communication skills help in the decision making process;
8. Develop numeracy and literacy skills in the interpretation of data and how such data can be discovered, selected and presented;
9. Develop an appreciation of the interdependence of all individuals, groups, and institutions within the working world and how socio-economic development could be enhanced through participation, co-operation, mutual understanding and ethical issues (including appreciation of the contribution of each individual as an employer, employee, consumer, as well as honesty, respect for the environment etc.)

Assessment objectives

Candidates will be expected to:

- (a) demonstrate knowledge and understanding of terms, concepts and relevant theories in the syllabus content in verbal, numerical and graphical form;
- (b) recognise, select, interpret and apply data;
- (c) organise information and apply it in a creative way to the solution of business problems and to the development of strategies;

- (d) distinguish between evidence and opinion, make reasoned judgements and communicate them in an accurate and logical manner;
- (e) present reasoned explanations, develop arguments and understand implications, and
- (f) make recommendations or judgements.

Scheme of assessment

The examination will consist of two written papers each of two hours duration and an assessed project.

Paper I will consist of: a written paper (40% of the total marks) comprising a number of compulsory short answer questions covering the whole syllabus.

There will be two versions of Paper II: *Paper IIA and Paper IIB*. Each paper carries 45% of the total marks.

PAPER IIA will consist of **six** questions of which candidates will be expected to answer four.

PAPER IIB will consist of **eight** short-answer and structured/data response questions covering various areas of the syllabus of which candidates will be expected to answer **six**.

Questions in all papers will be set in the context of Maltese business practice, but candidates may draw on examples from other countries where a question does not specifically refer to Malta. Questions will be set in English and must be answered in English.

In all papers, where questions are subdivided, the allocation of marks within each question will be given on the question paper so that candidates can allocate their time on each part accordingly.

The use of non-programmable electronic calculators is permitted. In calculations, candidates are advised to show all their workings.

Candidates will be required to submit a project (carrying 15% of the total marks) which will be assessed by the candidates' teachers and moderated by the Markers' Panel. Candidates may be called for a short interview in relation to the project.

Candidates are required to indicate on the registration form which Paper II they wish to sit for. No change in the choice of paper will be allowed after the registration period.

Private Candidates

- (a) Candidates who studied the subject at school and are re-sitting the subject may carry forward the coursework mark from the previous session.
- (b) Candidates who never studied the subject at school but have covered the coursework privately will be expected to present their coursework to the MATSEC Board by the date stipulated by the Board. Candidates may be called for an interview about their work.

Results

Candidates sitting for *Paper I and Paper IIA* may qualify for Grades 1,2,3,4 or 5. The results of candidates who do not obtain at least a Grade 5 shall remain Unclassified (U).

Candidates sitting for *Paper I and Paper IIB* may qualify for Grades 4, 5, 6 or 7. The results of candidates who do not obtain at least a Grade 7 shall remain Unclassified (U).

Syllabus

1. *The Business Environment*

(a) Economic Environment

- Purpose and nature of business and economic activity in helping to satisfy society's needs.
- Basic problems of scarcity and choice, allocation of resources, opportunity cost.
- Classification of business activity into primary, secondary and tertiary categories.
- Business growth and measurement of size.
- The impact/contribution of different categories on economic and social activity.
- The trends of these categories within the national economy.

(b) Business Objectives

- Differing aims of enterprises in both private and public sectors.
- Types of economy – market, planned and mixed economies.
- Main business objectives including profit and sales maximization, survival and growth, customer satisfaction, goodwill.
- Stakeholders' objectives - Producers/consumers, owners/employees, trade unions/employers' associations, government /taxpayers.
- Conflicting, conciliating and prioritising of business objectives in a changing economic environment.

(c) The International Environment

- Importance of foreign trade to small island states.
- Malta's main trading partners and Malta's place in the EU.
- The impact of the EU on local trade practices.
- An elementary treatment of the Balance of Trade, the Trade Gap, and Balance of Payments.
- Problems faced by local businessmen and exporters.
- Trade protection and co-operation (levels of economic integration in Europe). The role of tariffs, quotas, subsidies and exchange rates.
- The role of multinationals and their impact on a country's economy.
- Fair Trade.

(d) Business Ethics

Individuals in business organisations should:

- Promote the dignity and quality of life of persons by creating a sense of community at the workplace;
- Be compliant with health and safety regulations and practices in the EU;
- Have ethical dealings with regulatory bodies and labour unions;
- Safeguard the social, national, and global environment;
- Not indulge in corrupt practices;
- Pay all due taxes;
- Dispose waste responsibly (e.g. construction, etc.)

2. *Business Structure and Organisation*

(a) Different types of Business Organisations in the Public and Private Sector

- Historical overview of business development (subsistence economies, crafts industry, industrial revolution, globalisation)
- Sole-trader, Partnership, Limited Liability Company, the Co-Operative Movement, Public Corporations, Government Departments, Local Councils, Franchising.
- Differences and similarities as regards aims, ownership, sources of finance, control and responsibility, distribution of profits.

(b) The role of government in business activity

- Arguments for and against nationalisation and privatisation.

(c) *Internal structure and management*

- Organisation charts, chain of command, line and staff organisation, chain of command.
- Advantages and disadvantages of centralisation and delegation of authority.
- Worker participation in decision making.

(d) Business in a changing environment

- Impact of change on production methods, marketing techniques, work practices, social attitudes.
- Resisting the effects of change.
- Industrial restructuring – business response to market changes.

3. *Elements of Business Activity*

(a) *Purchasing*

- Choosing suppliers
- Stock control

(b) *Production*

- Resources and the production chain.
- Main features of job, batch and mass production systems.
- Working in the production department.
- Purchasing, Design, Quality, efficiency and innovation.
- Scale of production (Economies and diseconomies of scale).
- Location decisions (i.e. the main factors influencing a firm's location and relocation decisions).
- Environmental effects of production decisions.
- Awareness of EU directives concerning production processes such as Health and Safety and quality.

(c) *Marketing*

- The concept and role of marketing.
- Market research – primary and secondary.
- Presentation and uses of results of market research.
- The importance of market segmentation.
- Mass marketing and niche marketing
- The Marketing mix: Product, Price, Place, Promotion, Packaging'
 - Product (design, branding, product life cycle)
 - Pricing strategy (e.g. skimming or 'creaming'; penetration pricing; predatory pricing)
 - Distribution channels
 - Promotion (advertising, telephone and personal selling, sales promotion)
 - ◆ Choosing the advertising media, advertising agency.
 - ◆ Arguments for and against advertising. Informative and persuasive advertising.
 - ◆ Ethical considerations in advertising.
 - Packaging and Branding of goods.
- Selecting and justifying market methods appropriate to a given situation.
- Recent developments in retailing, wholesaling, transport, e-commerce.

(d) *Finance*

(i) Money and Banking

- Money - Barter system, and characteristics and functions of money
- Banking - Distinction between commercial banks and Central Bank, and banking services to business

(ii) Types of Expenditure

- Income and expenditure
- Capital and revenue expenditure

(iii) Final Accounts of Sole Traders in vertical form

- Users of financial information.

- Interpretation of figures in a given simple Trading Account (excluding carriage and returns), Profit and Loss Account and Balance Sheet of sole traders only.
 - An awareness of the distinction between fixed and current assets and between current and long term liabilities is required.
 - A basic idea of depreciation is expected but calculations are not required.
 - Bad debts and provisions for bad debts are not examinable.
- (iv) Sources of Finance
 - Internal sources: personal savings, retained profits, selling assets, investing surplus cash, reducing stock.
 - External sources: trade credit, loans and overdrafts, mortgages, factoring, leasing.
 - Other sources: Issuing ordinary and/or preference shares, debentures (an awareness of cumulative and participating preference shares is required).
 - Methods of issuing shares (distinction between rights issue and public issue is required).
 - Factors affecting the methods of finance chosen.
- (e) *Assessing Business Performance*
 - (i) Calculation and basic interpretation of the following accounting ratios:
 - Gross Profit and Net Profit Margins
 - ROCE
 - Working Capital ratio
 - Quick Assets ratio
 - Stock Turnover ratio
 - (ii) An elementary knowledge of a break-even chart and its analysis
 - (iii) Importance of Budgets and the need for Budgeting (with reference to the cash budget).

4. *Human Resources*

- (a) *Legislation and work*
 - An awareness of measures being implemented in relation to work with particular reference to the 'Employment and Industrial Relations Act' (EIRA)
- (b) *Population Structure and Employment*
 - Demographic trends and their impact on business concerns.
 - Unemployment (effects and types of unemployment).
 - Local trends in employment in various sectors.
- (c) *Selection, Recruitment and Training of workers*
 - Procedures for recruitment, preparing for the interview
 - The employment contract and work conditions
 - Importance of training and human resource development. Different types of training.
- (d) *Motivation*
 - The Personnel Function.
 - Needs of individual - an understanding of the human pyramid of needs according to, for example, Maslow, McGregor and Herzberg.
 - Different styles of management and leadership styles.
 - Overcoming poor motivation e.g. reviewing pay levels, job enrichment, job rotation.
 - Health and safety at the place of work in relation to EU Directive.
- (e) *Dismissal and redundancy*
 - Difference between dismissal and redundancy.
 - Factors resulting into a reduction in the number of employees.
- (f) *Industrial Relations*
 - Role and importance of Trade Unions, Employers' and Professional Organisations.

- Nature of collective bargaining and negotiation procedures.
- Industrial disputes – the use of overtime ban, work-to-rule, go-slow, sit-in and strike.
- Resolving the dispute – arbitration and conciliation.

5. Communication

- The purpose and importance of effective communication (internal and external).
- Basic elements in all forms of communication.
- Various methods of communication: oral, written, and non-verbal.
- Information gathering and dissemination; purposes and methods.
- Formal and informal communication networks
- Problems in communication: emotional, social, language, technical and geographical.
- Consequences of ineffective communication.
- Methods of improving communication - an awareness of technological developments.

6. Aiding, Regulating and Controlling Business Activity

- (a) The role of the Malta Stock Exchange to investors, government and businesses. (Knowledge of procedures and documentation is not required).
- (b) Services provided to business by, for example, ETC, Malta Enterprise, Chambers of Commerce, and FOI.
- (c) An awareness of the role of regulatory bodies in Malta such as Malta Environment and Planning Authority, Malta Financial Services Authority, Malta Resource Authority, Malta Tourism Authority, Malta Maritime Authority, Public Transport Authority, Malta Communications Authority, Malta Standards Authority, Malta Health Division, and National Audit Office of Malta.
- (d) Government influence on business decisions vis-a-vis competition and fair trading, conditions of employment, care of the environment and sustainability of resources, consumer protection and industrial location with reference to EU legislation.
 - Monitoring and controlling this relationship between firms and consumers
 - Competition Policy
 - Main features of Consumer Protection
 - Government's influence on location decisions
- (e) External costs and benefits of business activity – the role of the government in relation to positive and negative externalities.
- (f) Pressure Groups and other agencies – an appreciation of the role of pressure groups to businesses.

BUSINESS STUDIES - Notes for Guidance on Project

Aims

Candidates are required to present a project that relates business studies to the real world of business and the community at large. The project should be focused outside the classroom as far as possible and it should enable candidates to demonstrate their ability to:

- (a) design and carry out practical research;
- (b) collect and present relevant data concerning a business problem or situation;
- (c) process and use the data in an analysis of the problem or situation; and
- (d) draw conclusions from the available evidence.

Candidates are expected to make use of methods of data collection such as questionnaires, interviews, site visits, letters to business firms and institutions, books, newspapers and magazines, radio and television programmes and the internet.

Projects should normally be carried out individually but in certain circumstances, subject to the approval of the supervisor, the project can be carried out by a group of not more than three candidates. Group projects should be organised in such a way that the contribution of each individual in the group can be assessed.

Projects submitted in 2009 should be chosen from the following list of projects:

PROJECT TITLES

1. **The changing face of employment in Malta in the recent past**

- Using statistical data, state and explain the changing trends in occupational and geographical mobility of the Maltese labour force.
- Suggest reasons for such changes.
- Provide some international comparisons.
- Try to predict what the future holds.
- Explain the possible impact, both beneficial and detrimental, of such changing trends on (i) businesses, and (ii) society.
- Provide a list of suggestions intended to reduce the negative effects of such trends.

2. **Motivating Workers**

- Explain the need to motivate workers.
- Identify and analyse the different factors motivating workers (if any) in a business organization of your own choice.
- Analyse if there are some disadvantages in the schemes intended to motivate workers.
- How do the style of management and span of control impact on workers' motivation?
- Draw up a Report to management about your findings and recommendations.

3. **The Role of Small Firms in Malta**

- State the criteria used in measuring size.
- Identify the importance of small firms in Malta.
- Select a small business and identify the advantages and disadvantages of being small.
- Analyse what kept the firm back from expanding.
- Assess the impact of a changing environment (e.g. technology, EURO, legislation, etc) on this small firm.
- Explain the aid (if any) provided to this firm.
- Draw up a Report to the owner/s providing ideas where you feel the firm could improve.

4. **Product-Life Cycle**

- Describe the product life-cycle of a specific product of your own choice.
- Analyse the factors influencing the product life cycle.
- Try to assess the importance of the marketing mix at different stages of the life-cycle.
- Produce a plan suggesting ways in which the product life-cycle could be extended.

5. **The role of Financial Institutions in the Maltese economy**

- Identify different types of financial institutions operating in Malta.
- Explain the services provided to the business community and the general public.
- Indicate the role of modern technology in such a sector.
- Decide whether financial institutions meet the needs of businesses and make recommendations if you think improvements are needed.
- Outline the protection offered by the MFSA.

Presentation

The presentation of the project does not need to follow a standard format but candidates are reminded of the need of clarity or expression, logical sequence, and a systematic approach. A suitable format would include the following:

- the title and the purpose of the project
- an account of the investigation including the methods of research and collection of data
- the analysis of the data
- the presentation of the conclusion or results
- a list of books and other reference materials used.

The project may consist of written material illustrated with diagrams, charts and tables, where appropriate. However, candidates should note that the mere collection of photographs, newspaper cuttings, leaflets and other illustrative materials is NOT suitable as a project at this level.

Students should present their coursework in a neat, well-organised manner. Students should not be penalised if the project is hand-written.

The length of the project does not necessarily reflect the standard of the work. The project should be between 1500-3000 words but in exceptional circumstances (e.g. group projects) the maximum number of words may be extended to 3500 words.

Note that in the case of private candidates marks cannot be allocated for commitment and so the marks obtained by the candidate will have to be grossed up accordingly.

Assessment

The coursework carries a maximum of 15 marks. Projects are to be marked by the candidate's teacher and countersigned and stamped by the Head of school. In case of private candidates, the assessment will be made by the Markers' Panel appointed by the University. Marks should be awarded according to the following criteria:

Knowledge and the Use of Information	20%
Application and Analysis	40%
Evaluation and Judgement	20%
Quality of Presentation	10%
Student's Commitment	10%

MARKING SCHEME

	1 – 4 marks	5 – 10 marks	11 – 20 marks
Knowledge and Use of Information [20%]	a) Recalls basic information from areas of the syllabus. b) Makes fair use of information.	a) Recalls and use a range of information from the whole of the syllabus. b) Makes good use of information.	a) Recalls sufficient facts and knowledge from the whole syllabus so as to provide good answers. b) Makes very good use of information.
	1 – 7 marks	8 – 20 marks	21 – 40 marks
Application and Analysis [40%]	Makes basic use of information.	Makes use information.	Makes good use of information.
	1 – 4 marks	5 – 10 marks	11 – 20 marks
Evaluation and Judgement [20%]	Limited attempt to organise material into parts.	Work planned in a logical manner with an attempt to break down material in a clear and sensible way to try to answer the question posed in the title.	a) Evidence of original and clear analysis of the topic with relevant and accurate use of business ideas. b) Uses logical deductions.
	1 – 4 marks	5 – 10 marks	
Quality of Presentation [10%]	Shows evidence of concern for an orderly presentation.	Shows care in arrangements and presentation i.e. a well presented coursework.	
	1 – 4 marks	5 – 10 marks	
Student's Commitment [10%]	1-4 marks Demonstrates commitment within his/her ability range.	5-10 marks Demonstrates outstanding commitment.	

In case of a group project, marks should be awarded for individual candidates. In this case, besides assessing the quality of the project, teachers should keep in mind the degree of participation of each member of the group in the project.

In the case of a resit, candidates who have obtained a pass mark in the project need not carry out a new project but may present their project again and its marks will be carried over the resit.

Monitoring

Candidates are required to hand in their projects on a date set by the MATSEC Support Unit. The projects will be monitored by the Markers' Panel who will use the criteria outlined above. Candidates may be asked to attend for an interview on their project.

Recommended textbooks and other resources

The following textbooks will be of use to students who are studying Business Studies. The list is not intended to be exclusive.

Author	Title (ISBN)	Publisher
Anderton, A.	GCSE Business Studies (1873929846)	Causeway Press
Anderton, A.	AS Level Business Studies for AQA (1902796004)	Causeway Press
Anderton, A.	GCSE Business Studies for AQA (1902796292)	Causeway Press
Anderton, A.	GCSE Business Studies for AQA Teachers' Guide (190279630)	Causeway Press
Anderton, A.	GCSE Business Studies Teachers' Guide (1873929854)	Causeway Press
Borrington, K. and Stimpson, P.	IGCSE Business Studies (0719572231)	John Murray
Butler, D.	GCSE Business Studies (019832797)	Oxford University Press
Chambers, I., Squires, S. and Linda, H.	Business Studies for GCSE (0582309026)	Longman
Cross, L. and Danks, S.	Assignments in Business Studies (0174481144)	Thomas Nelson and Sons
Hall, D., Jones, R. and Raffo, C. (ed. by Chambers, I. and Dickinson, J.)	GCSE Applied Business (1902796624)	Causeway Press
Hall, D., Jones, R. and Raffo, C. (ed. by Chambers, I. and Gray, D.)	Business Studies (1902796837)	Causeway Press
Hall, D., Jones, R. and Raffo, C. (ed. by Chambers, I. and Dickinson, J.)	GCSE Applied Business Teachers' Guide (1902796640)	Causeway Press
Jones, R., Raffo, C. and Gray, D. (edited by Chambers, I.)	GCSE Applied Business Portfolio Book (1902796632)	Causeway Press
Kennerdall, P., Williams, A. and Schofield, M.	Business Studies for OCR GCSE (0340790520)	Hodder and Stoughton
Kennerdall, P., Williams, A. and Schofield, M.	Business Studies for OCR GCSE – Teacher's Book (0340804327)	Hodder and Stoughton
Marfell, K., Wallace, D. and Sutherland, J.	GCSE Business Studies- Teachers' Resource File (0435450158)	Heinemann
Needham, D. and Dransfield, R.	Business Studies for You (0748724907)	Stanley Thornes
Wallace, D and Wallace, S.	GCSE Business Studies – Students' Textbook (0435450166)	Heinemann
Whitcomb, A.	Comprehensive Business Studies (0273604775)	Longman

Internet Services

<http://www.vts.rdn.ac.uk/tutorial/bus>
<http://catalogue.bized.ac.uk/>
<http://www.bized.ac.uk/virtual/cb/tour new/start.htm>
<http://www.bmwusfactory.com/build/>
<http://manufacturing.stanford.edu/>

Other Resources

Contemporary sources of information for teachers and students include:

- Articles from newspapers;
- Leaflets/brochures/publications from banks, insurance companies, etc.;
- Documentation from commercial institutions;
- Advertising material from newspapers, magazines, television, videos, etc;
- Information published by government and other public bodies, e.g. NSO.
- Commercial information from general private sector bodies.
- Visits to local commercial operations, e.g. banks, factories.
- Talks by commercial representatives, e.g. managers, etc.

Past Examiners' Reports

Each year, teachers should get a copy of the examiners' report which discusses the main weaknesses encountered, examiners' approach and demands, etc.