



## Syllabus

# Cambridge International AS & A Level Business 9609

Use this syllabus for exams in 2022.

Exams are available in the June and November series.

Exams are also available in the March series in India only.



### Changes to the syllabus for 2022

The latest syllabus is version 1, published September 2019.

There are no significant changes which affect teaching.

**You are strongly advised to read the whole syllabus before planning your teaching programme.**

**Any textbooks endorsed to support the syllabus for examination from 2016 are still suitable for use with this syllabus.**

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## Why choose Cambridge International?

Cambridge International prepares school students for life, helping them develop an informed curiosity and a lasting passion for learning. We are part of the University of Cambridge.

Our Cambridge Pathway gives students a clear path for educational success from age 5 to 19. Schools can shape the curriculum around how they want students to learn – with a wide range of subjects and flexible ways to offer them. It helps students discover new abilities and a wider world, and gives them the skills they need for life, so they can achieve at school, university and work.

Our programmes and qualifications set the global standard for international education. They are created by subject experts, rooted in academic rigour and reflect the latest educational research. They provide a strong platform for students to progress from one stage to the next, and are well supported by teaching and learning resources.

We review all our syllabuses regularly, so they reflect the latest research evidence and professional teaching practice – and take account of the different national contexts in which they are taught.

We consult with teachers to help us design each syllabus around the needs of their learners. Consulting with leading universities has helped us make sure our syllabuses encourage students to master the key concepts in the subject and develop the skills necessary for success in higher education.

Our mission is to provide educational benefit through provision of international programmes and qualifications for school education and to be the world leader in this field. Together with schools, we develop Cambridge learners who are confident, responsible, reflective, innovative and engaged – equipped for success in the modern world.

Every year, nearly a million Cambridge students from 10 000 schools in 160 countries prepare for their future with the Cambridge Pathway.

“ We think the Cambridge curriculum is superb preparation for university. ”

Christoph Guttentag, Dean of Undergraduate Admissions, Duke University, USA

“ Cambridge students develop a deep understanding of subjects and independent thinking skills. ”

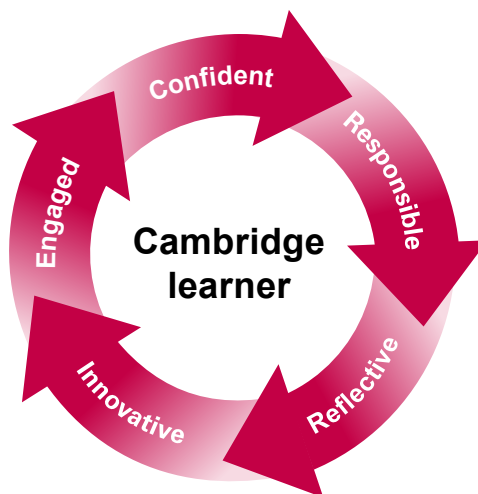
Principal, Rockledge High School, USA

## Why choose Cambridge International AS & A Levels?

The best motivation for a student is a real passion for the subject they're learning. By offering students a variety of Cambridge International AS & A Levels, you can give them the greatest chance of finding the path of education they most want to follow. With over 50 subjects to choose from, students can select the ones they love and that they're best at, which helps motivate them throughout their studies.

Following a Cambridge International AS & A Level programme helps students develop abilities which universities value highly, including:

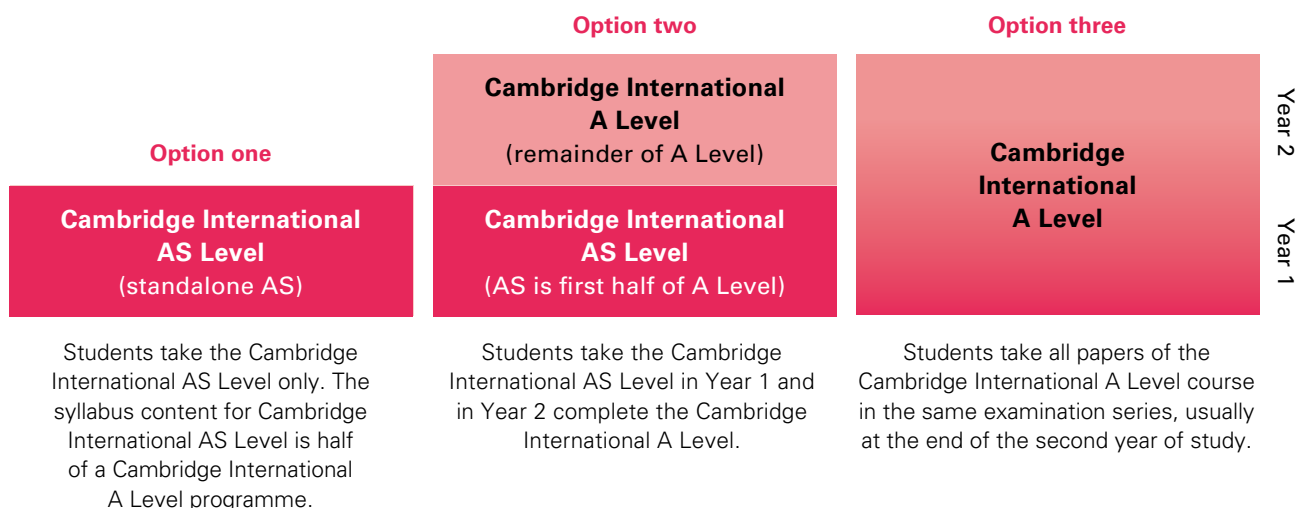
- a deep understanding of their subjects
- higher order thinking skills – analysis, critical thinking, problem solving
- presenting ordered and coherent arguments
- independent learning and research.



Our approach in Cambridge International AS & A Level encourages learners to be:

- **confident** in working with information and ideas – their own and those of others
- **responsible** for themselves, responsive to and respectful of others
- **reflective** as learners, developing their ability to learn
- **innovative** and equipped for new and future challenges
- **engaged** intellectually and socially, ready to make a difference.

Cambridge International AS & A Level offers a choice of assessment routes with staged assessment available in many subjects: Cambridge International AS Level can be offered as a standalone qualification or as part of a progression to Cambridge International A Level:



## International recognition and acceptance

Our expertise in curriculum, teaching and learning, and assessment is the basis for the recognition of our programmes and qualifications around the world. Every year thousands of students with Cambridge International AS & A Levels gain places at leading universities worldwide. They are valued by top universities around the world including those in the UK, US (including Ivy League universities), Europe, Australia, Canada and New Zealand.

UK NARIC, the national agency in the UK for the recognition and comparison of international qualifications and skills, has carried out an independent benchmarking study of Cambridge International AS & A Level and found it to be comparable to the standard of AS & A Level in the UK. This means students can be confident that their Cambridge International AS & A Level qualifications are accepted as equivalent, grade for grade, to UK AS & A Levels by leading universities worldwide.

### Learn more

For more details go to [www.cambridgeinternational.org/recognition](http://www.cambridgeinternational.org/recognition)

## Quality management

Cambridge International is committed to providing exceptional quality. In line with this commitment, our quality management system for the provision of international qualifications and education programmes for students aged 5 to 19 is independently certified as meeting the internationally recognised standard, ISO 9001:2015. Learn more at [www.cambridgeinternational.org/ISO9001](http://www.cambridgeinternational.org/ISO9001)



Cambridge Assessment International Education is an education organisation and politically neutral. The content of this syllabus, examination papers and associated materials do not endorse any political view. We endeavour to treat all aspects of the exam process neutrally.

“ The depth of knowledge displayed by the best A Level students makes them prime targets for America’s Ivy League universities ”

Yale University, USA

## Why choose Cambridge International AS & A Level Business?

The study of Cambridge International AS and A Level Business allows learners to take the first step towards a career in private or public organisations or progress with confidence to a degree in business and management related subjects.

### About the syllabus

Cambridge learners will develop:

- the capacity to analyse characteristics and activities of business organisations and how they respond to
- the changing demands of their environments
- an understanding of how effective managers and leaders develop successful organisations in terms of
- customer focus and the products/services they offer
- the opportunity to reflect on how successful business organisations engage in financial and accounting
- practices to maximise value for stakeholders value
- development of knowledge that relates to strategic planning and decision-making to ensure business
- survival, change, and sustainable success
- a solid foundation for further study.

### Key concepts

The key concepts on which this syllabus is built are set out below. These key concepts can help teachers think about how to approach each syllabus topic in order to encourage learners to make links between topics and develop a deep overall understanding of the subject. The teaching support package gives teachers guidance on integrating the key concepts into their teaching. See page 8 for more information on our teacher support.

As a teacher, you will refer again and again to these concepts, which can serve as guiding principles when considering both familiar and unfamiliar business issues and contexts.

- **Change** is the only constant. Exciting new enterprises are often created in response to economic, cultural or technological changes. Existing businesses must adapt to change if they are to survive and grow.
- **Management** is relevant to every person in a business. Good leadership, strong motivation in workers, effective systems and clear communication are hallmarks of successful businesses.
- **Customer focus** means a business will design and produce goods and services that people want to buy. Customers provide the revenue which sustains a business. Successful businesses really understand their customers and strive to provide products that their customers love.
- **Innovation** enables a business to re-invent itself and stay ahead of the competition. The business world is dynamic and companies must seek to innovate through product development, more efficient processes and finding better ways 'to do business'.
- **Creating value** is the core reason why any organisation exists. Effective organisations aim to maximise stakeholder value. For most businesses this will be about maximising shareholder value, but social enterprises will also have other, non-financial, aims. Stakeholders also need to measure the value that is created.
- **Strategy** is about knowing where you are, where you want to get to and how you are going to get there. Managers need to think about, decide on and put into action major long term plans – such as buying another business, entering a new market or developing a new technology.

## Guided learning hours

Guided learning hours give an indication of the amount of contact time teachers need to have with learners to deliver a particular course. Our syllabuses are designed around 180 guided learning hours for Cambridge International AS Level, and around 360 guided learning hours for Cambridge International A Level.

These figures are for guidance only. The number of hours needed to gain the qualification may vary depending on local practice and the learners' previous experience of the subject.

## Prior learning

Candidates beginning this course are not expected to have studied business previously.

## Progression

Cambridge International A Level Business provides a suitable foundation for the study of Business or related courses in higher education. Equally it is suitable for candidates intending to pursue careers or further study in business or management, or as part of a course of general education.

Cambridge International AS Level Business is the first half of Cambridge International A Level Business. Depending on local university entrance requirements, the qualification may permit or assist progression directly to university courses in Business or some other subjects.

We recommend learners check the Cambridge recognitions database and the university websites to find the most up-to-date entry requirements for courses they wish to study.

### How can I find out more?

#### If you are already a Cambridge school

You can make entries for this qualification through your usual channels. If you have any questions, please contact us at [info@cambridgeinternational.org](mailto:info@cambridgeinternational.org)

#### If you are not yet a Cambridge school

Learn more about the benefits of becoming a Cambridge school from our website at [www.cambridgeinternational.org/startcambridge](http://www.cambridgeinternational.org/startcambridge)

Email us at [info@cambridgeinternational.org](mailto:info@cambridgeinternational.org) to find out how your organisation can register to become a Cambridge school.

## Cambridge AICE

Cambridge AICE (Advanced International Certificate of Education) Diploma is the group award of the Cambridge International AS & A Level. It gives schools the opportunity to benefit from offering a broad and balanced curriculum by recognising the achievements of candidates who pass examinations from different curriculum groups.

### Learn more

For more details go to [www.cambridgeinternational.org/aice](http://www.cambridgeinternational.org/aice)

“ Our research has shown that students who came to the university with a Cambridge AICE background performed better than anyone else that came to the university. That really wasn't surprising considering the emphasis they have on critical research and analysis, and that's what we require at university. ”

Assistant Vice President for Enrollment Management, Florida State University, USA



## Supporting teachers

We provide a wide range of practical resources, detailed guidance, and innovative training and professional development so that you can give your students the best possible preparation for Cambridge International AS & A Level.

### Teaching resources

- School Support Hub  
[www.cambridgeinternational.org/support](http://www.cambridgeinternational.org/support)
- Syllabuses
- Schemes of work
- Learner guides
- Discussion forums
- Endorsed resources

### Exam preparation resources

- Question papers
- Mark schemes
- Example candidate responses to understand what examiners are looking for at key grades
- Examiner reports to improve future teaching

Support  
for Cambridge  
International  
AS & A Level

### Training

- Introductory – face-to-face or online
  - Extension – face-to-face or online
  - Enrichment – face-to-face or online
  - Coursework – online
  - Cambridge Professional Development Qualifications
- Find out more at  
[www.cambridgeinternational.org/profdev](http://www.cambridgeinternational.org/profdev)

### Community

You can find useful information, as well as share your ideas and experiences with other teachers, on our social media channels and community forums.

Find out more at  
[www.cambridgeinternational.org/social-media](http://www.cambridgeinternational.org/social-media)

“ Cambridge International AS & A Levels prepare students well for university because they’ve learnt to go into a subject in considerable depth. There’s that ability to really understand the depth and richness and the detail of a subject. It’s a wonderful preparation for what they are going to face at university. ”

US Higher Education Advisory Council

# 1 Syllabus overview

## 1.1 Content

This table gives an overview of the syllabus content for Cambridge International AS & A Level Business.

	All candidates study these AS Level topics	A Level candidates also study these additional topics
1 Business and environment	<ul style="list-style-type: none"> <li>Enterprise</li> <li>Business structure</li> <li>Size of business</li> <li>Business objectives</li> <li>Stakeholders in a business</li> </ul>	<ul style="list-style-type: none"> <li>Business structure</li> <li>Size of business</li> <li>External influences on business activity</li> </ul>
2 People in organisations	<ul style="list-style-type: none"> <li>Management and leadership</li> <li>Motivation</li> <li>Human resource management</li> </ul>	<ul style="list-style-type: none"> <li>Human resource management</li> <li>Organisational structure</li> <li>Business communication</li> </ul>
3 Marketing	<ul style="list-style-type: none"> <li>What is marketing?</li> <li>Market research</li> <li>The marketing mix</li> </ul>	<ul style="list-style-type: none"> <li>Marketing planning</li> <li>Globalisation and international marketing</li> </ul>
4 Operations and project management	<ul style="list-style-type: none"> <li>The nature of operations</li> <li>Operations planning</li> <li>Inventory management</li> </ul>	<ul style="list-style-type: none"> <li>Operations planning</li> <li>Capacity utilisation</li> <li>Lean production and quality management</li> <li>Project management</li> </ul>
5 Finance and accounting	<ul style="list-style-type: none"> <li>The need for business finance</li> <li>Sources of finance</li> <li>Costs</li> <li>Accounting fundamentals</li> <li>Forecasting cash flows and managing working capital</li> </ul>	<ul style="list-style-type: none"> <li>Costs</li> <li>Budgets</li> <li>Contents of published accounts</li> <li>Analysis of published accounts</li> <li>Investment appraisal</li> </ul>
6 Strategic management	<ul style="list-style-type: none"> <li><i>[No topics at AS Level]</i></li> </ul>	<ul style="list-style-type: none"> <li>What is strategic management?</li> <li>Strategic analysis</li> <li>Strategic choice</li> <li>Strategic implementation</li> </ul>

## 1.2 Assessment

For Cambridge International AS & A Level Business, candidates:

- take Papers 1 and 2 only (for the Cambridge International AS Level qualification)  
**or**
- follow a staged assessment route by taking Papers 1 and 2 (for Cambridge International AS Level qualification) in one series, then Paper 3 (for the Cambridge International A Level qualification) in a later series  
**or**
- take Papers 1, 2 and 3 in the same examination series, leading to the full Cambridge International A Level.

All components are externally assessed.

Component	Weighting	
	AS Level	A Level
<p><b>Paper 1 Short answer and essay</b> <b>1 hour 15 minutes</b></p> <p>Section A: Four short answer questions (20 marks)</p> <p>Section B: One essay from a choice of three questions (20 marks) Based on the AS Level syllabus content</p> <p>40 marks</p>	20%	10%
<p><b>Paper 2 Data response</b> <b>1 hour 30 minutes</b></p> <p>Two data response questions based on AS Level syllabus content</p> <p>60 marks</p>	60%	60%
<p><b>Paper 3 Case study</b> <b>3 hours</b></p> <p>Five questions and one essay (from a choice of two) based on a case study</p> <p>Based on the additional A Level syllabus content and also assumes knowledge and understanding of the AS Level syllabus content</p> <p>100 marks</p>	–	50%

Candidates following an AS Level route will be eligible for grades a–e.

Candidates following an A Level route will be eligible for grades A–E.

## Availability

This syllabus is examined in the June and November examination series. This syllabus is also available for examination in March for India only.

This syllabus is available to private candidates.

Detailed timetables are available from [www.cambridgeinternational.org/timetables](http://www.cambridgeinternational.org/timetables)

Centres in the UK that receive government funding are advised to consult the Cambridge website [www.cambridgeinternational.org](http://www.cambridgeinternational.org) for the latest information before beginning to teach this syllabus.

## Combining this with other syllabuses

Candidates can combine this syllabus in an examination series with any other Cambridge International syllabus, except:

- Cambridge International A Level H2 Management of Business (Singapore) (9756)
- Cambridge Pre-U Business and Management (9771)
- syllabuses with the same title at the same level.

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## 2 Syllabus aims and assessment objectives

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### 2.1 Syllabus aims

The syllabus aims to enable candidates to:

- understand and appreciate the nature and scope of business, and the role of business in society, internationally and within each candidate's own country
- develop critical understanding of organisations, the markets they serve and the process of adding value
- evaluate business behaviour from the perspective of a range of stakeholders including owner/ shareholder, manager, employee, customer, supplier, lender and government
- develop an awareness of the political, economic, social, technological, legal, environmental and ethical issues associated with business activity
- develop quantitative, problem-solving, decision-making and communication skills.

### 2.2 Assessment objectives

#### **AO1 Knowledge and understanding**

Demonstrate knowledge and understanding.

#### **AO2 Application**

Apply knowledge and understanding to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

#### **AO3 Analysis**

Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- interpreting and unpacking complex issues and situations to their constituent parts and searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

#### **AO4 Evaluation**

Evaluate business evidence, explanation, argument, discussion and analysis in order to make reasoned judgements, present measured conclusions and, where appropriate, make recommendations for action and implementation.

## 2.3 Relationship between assessment objectives and components

The approximate weightings allocated to each of the assessment objectives (AOs) are summarised below.

The table shows the assessment objectives (AO) as a percentage of each component.

Component	AO1 %	AO2 %	AO3 %	AO4 %
<b>Paper 1</b>	50	15	20	15
<b>Paper 2</b>	30	30	20	20
<b>Paper 3</b>	20	20	30	30

## 2.4 Relationship between assessment objectives and qualifications

The approximate weightings allocated to each of the assessment objectives are summarised below.

The table shows the assessment objectives (AO) as a percentage of each qualification.

Assessment objective	Weighting in AS Level %	Weighting in A Level %
<b>AO1</b>	40	30
<b>AO2</b>	20	20
<b>AO3</b>	20	25
<b>AO4</b>	20	25

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## 3 Syllabus content

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Candidates for Cambridge International AS Level should study the AS Level content for Paper 1 and Paper 2. Candidates for Cambridge International A Level should study all the syllabus content.

The AS & A Level syllabus content is divided into six main topic areas:

### 1 business and its environment

This topic area is concerned with understanding the nature and purpose of business activity and identifying the structures, functions, cultures and objectives of different business organisations. Central to an understanding of business and its internal and external environments is a recognition that the world in which businesses operate is in a constant state of change. The impact of political, economic, social, technological, legal, environmental and ethical factors and how these might influence business activity is considered. The extent to which businesses can respond and adapt to such change is likely to determine their success.

### 2 People in organisations

This topic area focuses on how businesses can develop and use policies, procedures, structures, systems and approaches to management and leadership that will harness the human potential within an organisation and achieve organisation goals. An understanding of the central role of effective management and leadership in achieving efficiency and competitiveness is required. Candidates will need to understand the distinct bodies of theory that underpin the concepts of business management and leadership. The importance of motivation techniques and theories in understanding employee needs will be considered. The contribution to business success made by human resource management through effective workforce planning and the recruitment, selection and training of workers will also be explored.

### 3 Marketing

This topic area develops an understanding of the importance of the marketing function for business competitiveness. The significance of marketing orientation – the process of aligning a business to its operating environment, customers, other stakeholders and markets – is emphasised. An understanding of the principles and practices of marketing and their application to commercial and not-for-profit organisations is considered. The relationship between marketing and other business functions such as operations management, finance and human resource management is also considered. The application of marketing concepts and methods to assist marketing and business decisions is explored. Central to the understanding of marketing is the objective of satisfying the needs and wants of customers through effective market research, applying an appropriate marketing mix and establishing an organisation with a strong customer focus.

### 4 Operations and project management

Operations management is the discipline of how resources are managed to achieve the efficient production/provision of goods and services. Project management is the discipline of managing resources to successfully complete one-off projects. This topic area promotes understanding of operations and project decisions and how design, planning, quality and workforce issues interrelate to achieve operations and project objectives. Candidates should develop an understanding of the benefits and limitations of a variety of techniques and analytical frameworks used by operations and project managers. Central to the understanding of how successful operations and project management support effective manufacturing and service businesses is a recognition of the importance of innovation in product and service delivery in dynamic and volatile business environments.

## 5 Finance and accounting

This topic area introduces candidates to the importance of the management of finance, the keeping of and analysis of accounts, and the assessment of business financial performance. Candidates need to understand: the basic principles and techniques of financial management; the value of financial statements and some key accounting techniques used to promote profit, measure performance and exert control in business organisations; the use of financial management information in managerial decision making; the links between financial management and other management activity; the importance of identifying and interpreting management accounting information, recognising uses and limitations. Central to the role of finance and accounting is an understanding of how information can be used to create and measure value.

## 6 Strategic management (A level only)

Introduced at A Level, this topic area explores the business concepts and theories that underpin strategic management and considers why strategy is practised in a range of business contexts from commercial and entrepreneurial to social and not-for-profit organisations. Strategy in business is concerned with the key decisions that are taken to ensure that businesses survive and succeed in the long term. Such decisions often involve initiating and managing major change policies and programmes. The topic area investigates the strategic management process model of strategic analysis, strategic choice and strategic implementation. The associated strategic thinking and analysis tools that help to frame choices and put resulting strategies into action are also considered.

## 3.1 AS Level content – Paper 1 and Paper 2

### 1 Business and its environment (AS Level)

The Cambridge International AS Level material has its emphasis on an understanding of business concepts and their application to business situations, although some analysis of some issues is expected together with some evaluation. Emphasis should be on the importance of enterprise, business objectives/structure/size and stakeholders. All sizes of businesses should be considered (*including multinationals*). Candidates should understand the term *Gross Domestic Product (GDP)*.

#### 1.1 Enterprise

##### 1.1.1 The nature of business activity

- purpose of business activity
- the concept of creating value
- the nature of economic activity, the problem of choice and opportunity cost
- business environment is dynamic
- what a business needs to succeed
- why many businesses fail early on

##### 1.1.2 The role of the entrepreneur

- qualities an entrepreneur is likely to need for success
- the role of business enterprise in the development of a business and a country

##### 1.1.3 Social enterprise

- the range and aims of social enterprises
- triple bottom line – economic (financial), social and environmental targets



<b>1 Business and its environment (AS Level) continued</b>	
<p><b>1.2 Business structure</b></p> <p>1.2.1 Economic sectors</p> <p>1.2.2 Legal structures</p>	<ul style="list-style-type: none"> <li>• primary, secondary and tertiary sector businesses</li> <li>• the public and private sectors</li> <li>• main features of different types of legal structure, including ability to raise finance</li> <li>• appropriateness of legal structure: sole trader, partnership, private limited companies, public limited companies, franchises, co-operatives, joint ventures</li> <li>• concept of limited liability and its importance</li> <li>• problems resulting from changing from one legal structure to another</li> </ul>
<p><b>1.3 Size of business</b></p> <p>1.3.1 Measurements of business size</p> <p>1.3.2 Significance of small businesses</p> <p>1.3.3 Internal growth</p>	<ul style="list-style-type: none"> <li>• different methods of measuring the size of a business (<i>profit is <b>not</b> an acceptable measure of business size</i>)</li> <li>• advantages and disadvantages of being a small business</li> <li>• strengths and weaknesses of family businesses</li> <li>• the importance of small businesses and their role in the economy</li> <li>• the role of small businesses as part of the industry structure in some industries</li> <li>• why and how a business might grow internally</li> </ul>
<p><b>1.4 Business objectives</b></p> <p>1.4.1 Business objectives in the private sector</p> <p>1.4.2 Objectives and business decisions</p>	<ul style="list-style-type: none"> <li>• the nature and importance of business objectives at corporate, departmental and individual levels</li> <li>• corporate social responsibility (CSR) as a business objective</li> <li>• relationship between mission statement, objectives, strategy and tactics</li> <li>• the different stages of business decision making and the role of objectives in the stages of business decision making</li> <li>• how objectives might change over time</li> <li>• translation of objectives into targets and budgets</li> <li>• the communication of objectives and their likely impact on the workforce</li> <li>• how ethics may influence business objectives and activities</li> </ul>

## 1 Business and its environment (AS Level) continued

### 1.5 Stakeholders in a business

#### 1.5.1 Business stakeholders

- individuals or groups interested in the activities of business, e.g. owners/shareholders, managers, employees, customers, suppliers, lenders, government and the local community

#### 1.5.2 The importance and influence of stakeholders on business activities

- roles, rights and responsibilities of stakeholders
- impact of business decisions/actions on stakeholders, and their reactions
- how and why a business needs to be accountable to its stakeholders
- how conflict might arise from stakeholders having different aims
- how changing business objectives might affect its stakeholders

## 2 People in organisations (AS Level)

At Cambridge International AS Level the emphasis is on understanding and applying the concepts of people in organisations, with some analysis and evaluation of related problems. The role of various management, leadership and motivation theories should be developed in a practical way. Knowledge of specific national laws and regulations applying to conditions of work is not required.

### 2.1 Management and leadership

#### 2.1.1 Management and managers

- the functions of management, including Mintzberg's roles of management

#### 2.1.2 Leadership

- functions, roles and styles
- the purpose of leadership
- leadership roles in business (directors, managers, supervisors, worker representatives)
- qualities of a good leader

#### 2.1.3 Choice of leadership style

- leadership styles: autocratic, democratic, laissez-faire
- McGregor's leadership styles

#### 2.1.4 Emotional Intelligence/ Emotional quotient (EQ)

- Goleman's four competencies of emotional intelligence: self-awareness, social awareness, self-management and social skills

<b>2 People in organisations (AS Level) continued</b>	
<p><b>2.2 Motivation</b></p> <p>2.2.1 Motivation as a tool of management and leadership</p> <p>2.2.2 Human needs</p> <p>2.2.3 Motivation theories</p> <p>2.2.4 Motivation methods in practice: financial motivators, non-financial motivators</p>	<ul style="list-style-type: none"> <li>• the need to motivate employees to achieve the objectives of a business</li> <li>• a simple explanation of human need</li> <li>• how human needs may or may not be satisfied at work</li> <li>• ideas of the main content theorists (Maslow, Taylor, Mayo, Herzberg) and process theorists (McClelland, Vroom)</li> <li>• the theories in practical situations</li> <li>• different payment methods (time based, salary, piece rates, commission, bonuses, profit sharing, performance related pay)</li> <li>• different types of non-financial motivators (training, induction, opportunities for promotion, development, status, job re-design, team working, empowerment, participation, fringe benefits/perks)</li> <li>• ways in which employees can participate in the management and control of business activity</li> </ul>
<p><b>2.3 Human resource management (HRM)</b></p> <p>2.3.1 Purpose and roles of HRM</p> <p>2.3.2 Recruitment and selection</p> <p>2.3.3 Job descriptions, person specifications, job advertisements</p> <p>2.3.4 Employment contracts</p> <p>2.3.5 Redundancy and dismissal</p> <p>2.3.6 Staff morale and welfare</p> <p>2.3.7 Staff training</p>	<ul style="list-style-type: none"> <li>• the role of HRM in meeting organisation objectives: recruitment, selection, training, induction, advice, guidance, workforce planning</li> <li>• labour turnover, methods of recruitment and selection</li> <li>• purposes of job descriptions, person specifications and job advertisements</li> <li>• main features of a contract of employment</li> <li>• difference between redundancy and dismissal</li> <li>• relationship between HRM, staff morale and welfare in a business including the concept of work-life balance</li> <li>• policies for diversity and equality</li> <li>• the purpose of staff development/training as a means of securing required skills and motivating the workforce</li> </ul>

### 3 Marketing (AS Level)

The Cambridge International AS Level involves the development of knowledge and application of that knowledge to business situations with some analysis and evaluation of marketing problems. There is an emphasis on the process of finding and satisfying customers, with the focus also on how marketing objectives can be met by understanding, applying and adapting the marketing mix.

#### 3.1 What is marketing

3.1.1 Role of marketing and its relationship with other business activities

- the link between marketing objectives and corporate objectives
- marketing objectives

3.1.2 Supply and demand

- factors influencing the supply and demand for the products/ services of a business
- interactions between price, supply and demand

3.1.3 Features of markets: location, size, share, competitors, growth

- how markets may differ: such as consumer/producer markets; national, regional and international markets
- difference between product and customer (market) orientation
- problems associated with measuring market share and market growth

3.1.4 Industrial and consumer markets

- implications of changes in market share and growth
- classification of products
- how marketing might differ for different types of goods and services

3.1.5 Niche versus mass marketing

- reasons for and benefits/limitations of mass marketing and niche marketing

3.1.6 Market segmentation

- benefits and limitations of market segmentation
- methods of market segmentation including geographic, demographic and psychographic

#### 3.2 Market research

3.2.1 Primary and secondary research

- purpose of market research in determining customer characteristics/consumer profiles, wants and needs

3.2.2 Methods of information gathering

- distinction between primary (field) and secondary desk research, and the main features of each
- methods of primary research and their advantages and disadvantages including focus groups and surveys
- sources of secondary information including printed, paid for and web-based sources of information

3.2.3 Sampling methods

- random, stratified and quota sampling; the appropriateness of each to given situations
- limitations of sampling

3.2.4 Market research results

- the reliability of data collection
- analysis of results obtained from market research
- interpretation of information **[Note:** Candidates will not be required to draw bar charts, pie charts, etc., or demonstrate knowledge of advantages and disadvantages of different presentation methods.]

3.2.5 Cost effectiveness

- cost effectiveness of market research in given situations (treated descriptively)

<b>3 Marketing (AS Level) continued</b>	
<b>3.3 The marketing mix</b>	
3.3.1 The elements of the marketing mix (the 4Ps)	<ul style="list-style-type: none"> <li>• the 4Ps: Product, Price, Promotion, Place (distribution channels)</li> </ul>
3.3.2 The role of the customer (the 4Cs)	<ul style="list-style-type: none"> <li>• the relationship between the customer and the business (the 4Cs): Customer solution, Cost to customer, Communication with customer, Convenience to customer</li> <li>• ways in which customer relations can be improved</li> <li>• how the 4Cs relate to the 4Ps</li> </ul>
3.3.3 Product	<ul style="list-style-type: none"> <li>• goods, services</li> <li>• recognising that products have a combination of tangible and intangible attributes</li> <li>• the importance of product development</li> <li>• product differentiation and USP (Unique Selling Point)</li> </ul>
3.3.4 Product Life Cycle	<ul style="list-style-type: none"> <li>• how Product Life Cycle stage influences marketing activities</li> <li>• product portfolio analysis as a way of achieving marketing objectives</li> <li>• decisions about extension strategies</li> </ul>
3.3.5 Types of pricing strategies	<ul style="list-style-type: none"> <li>• use and value of alternative pricing strategies including competitive, penetration, skimming, price discrimination, cost-based pricing</li> </ul>
3.3.6 Price elasticity of demand	<ul style="list-style-type: none"> <li>• define, calculate and interpret price elasticity of demand and suitable prices</li> <li>• usefulness of price elasticity of demand when making pricing decisions</li> </ul>
3.3.7 Promotion methods	<ul style="list-style-type: none"> <li>• above the line and below the line promotion</li> <li>• the role of packaging in promotion</li> <li>• branding as part of product/promotion</li> </ul>
3.3.8 Channels of distribution	<ul style="list-style-type: none"> <li>• choosing between alternative types of channel of distribution</li> </ul>
3.3.9 Using the Internet for the 4Ps/4Cs	<ul style="list-style-type: none"> <li>• online advertising, catalogues, sales, dynamic pricing, distribution (download of digital products), social media, viral marketing, e-commerce</li> </ul>
3.3.10 Consistency in the marketing mix	<ul style="list-style-type: none"> <li>• the need for the marketing mix to be consistent with the business, the product type and the market</li> </ul>

<b>4 Operations and project management (AS Level)</b>	
At Cambridge International AS Level, the emphasis is on understanding and applying the concepts of operations management, with some analysis and evaluation of related problems. The emphasis is on the way organisations use inputs and manage business processes efficiently.	
<b>4.1 The nature of operations</b>	<ul style="list-style-type: none"> <li>• operations encompasses products and services</li> <li>• process: from idea/need to final product/service</li> <li>• resources: land, labour, capital (including intellectual capital)</li> <li>• difference between effectiveness and efficiency</li> <li>• productivity: measuring efficiency</li> <li>• how 'value added' is linked to marketing, the operations process and operations decisions</li> <li>• benefits and limitations of capital and labour intensive processes</li> </ul>
4.1.1 Inputs, outputs and the transformation process	
4.1.2 Effectiveness, efficiency and productivity	
4.1.3 Value added	
4.1.4 Capital versus labour intensity	
<b>4.2 Operations planning</b>	<ul style="list-style-type: none"> <li>• the influence of marketing, availability of resources and technology (e.g. CAD and CAM) on operations decisions <b>[Note:</b> Candidates are expected to know what is meant by Computer Aided Design and Computer Aided Manufacture. They must understand how CAD and CAM can be applied in a business, including the advantages and disadvantages.]</li> <li>• the need for flexibility with regard to volume, delivery time and specification</li> <li>• process innovation – changing current processes or adopting new ways of producing products (e.g. automation/robotics) or delivering services (e.g. improving workflow)</li> <li>• differences between methods – advantages and disadvantages of each method</li> <li>• problems of changing from one method to another</li> <li>• factors that determine (a) location and (b) relocation: geographic, demographic, legal, political, resources, infrastructure, marketing</li> <li>• differences between local, regional, national and international location decisions</li> <li>• factors that influence the scale of a business</li> <li>• causes and examples of internal/external economies/diseconomies of scale</li> <li>• links between economies/diseconomies of scale and unit costs</li> </ul>
4.2.1 Operations decisions	
4.2.2 Flexibility and innovation	
4.2.3 Operations methods: job, batch, flow, mass customisation	
4.2.4 Location	
4.2.5 Scale of operation	

4 Operations and project management (AS Level) continued	
<p><b>4.3 Inventory management</b></p> <p>4.3.1 Purpose, costs and benefits of inventory</p> <p>4.3.2 Managing inventory</p>	<ul style="list-style-type: none"> <li>• purpose of inventory within a business (raw materials, work in progress, finished products)</li> <li>• costs and benefits of holding inventory</li> <li>• buffer inventory, reorder level and lead time</li> <li>• interpretation of simple inventory control charts</li> <li>• inventory control methods including buffer inventory and Just in Time (JIT)</li> </ul> <p><b>[Note:</b> While candidates should appreciate the need for inventory control and the general methods which may be employed, the mathematics of the methods will not be examined.]</p>

5 Finance and accounting (AS Level)	
<p>At Cambridge International AS Level the emphasis is on finance, the sources of finance and a basic understanding of published accounts. Candidates will need to understand the concepts of finance and cash flow and apply these to practical situations. Analysis and evaluation of tactical solutions to finance and cash flow problems will be expected.</p>	
<p><b>5.1 The need for business finance</b></p> <p>5.1.1 Start up capital, capital for expansion</p> <p>5.1.2 Working capital</p>	<ul style="list-style-type: none"> <li>• why businesses need finance to start up and to grow</li> <li>• why different needs for finance might mean different sources are appropriate</li> <li>• the meaning and significance of working capital as a source of finance</li> <li>• significance of the distinction between revenue expenditure and capital expenditure</li> </ul>
<p><b>5.2 Sources of finance</b></p> <p>5.2.1 Legal structure and sources of finance</p> <p>5.2.2 Short term finance and long term finance</p> <p>5.2.3 Internal sources</p> <p>5.2.4 External sources</p> <p>5.2.5 Factors influencing the sources of finance</p> <p>5.2.6 Selecting the source of finance</p>	<ul style="list-style-type: none"> <li>• the relationship between the legal structure of a business and its sources of finance</li> <li>• distinction between short and long term sources of finance</li> <li>• internal sources of finance: retained earnings, sale of unwanted assets, sale and leaseback of non-current assets, working capital</li> <li>• external sources of finance: share capital, new partners, venture capital, overdrafts, leasing, hire purchase, bank loans, mortgages, debentures, micro-finance, crowd funding and government grants</li> <li>• factors influencing the choice of sources of finance in a given situation: cost, flexibility, need to retain control, the use to which it is put, level of existing debt [but note, at Cambridge International AS Level, candidates will not be expected to know the term 'gearing']</li> <li>• the appropriateness of each possible source in a given situation</li> </ul>

5 Finance and accounting (AS Level) continued	
<p><b>5.3 Costs</b></p> <p>5.3.1 Cost information</p> <p>5.3.2 Uses of cost information</p> <p>5.3.3 Break-even analysis</p>	<ul style="list-style-type: none"> <li>• the need for accurate cost data</li> <li>• types of costs: fixed, variable, marginal; direct and indirect</li> <li>• problems of trying to allocate costs in given situations</li> <li>• cost information for decision making purposes, e.g. average, marginal, total costs</li> <li>• how costs can be used for pricing decisions</li> <li>• how costs can be used to monitor and improve business performance, including using cost information to calculate profits</li> <li>• determining the minimum level of production needed to break even or the profit made</li> <li>• define, calculate and interpret the margin of safety</li> <li>• uses and limitations of break-even analysis</li> </ul>
<p><b>5.4 Accounting fundamentals</b></p> <p>5.4.1 Income statement</p> <p>5.4.2 Statement of financial position</p> <p>5.4.3 Liquidity ratios</p> <p>5.4.4 Profitability ratios</p> <p>5.4.5 Practical use of ratio analysis</p> <p>5.4.6 Main users of accounts</p> <p>5.4.7 Limitations of published accounts</p>	<ul style="list-style-type: none"> <li>• contents of an income statement including: revenue, cost of sales, gross profit, operating profit, profit for the year, retained earnings</li> <li>• contents of a statement of financial position including: non-current assets, current assets, current liabilities, working capital, net assets, non-current liabilities, reserves and equity</li> <li>• acid test ratio, current ratio</li> <li>• gross profit margin, profit margin</li> <li>• how each of these ratios is used</li> <li>• reasons for the results obtained</li> <li>• ways that businesses might try to improve ratio results, including reducing working capital problems</li> <li>• comparison of ratios results between businesses</li> <li>• limitations of these accounting ratios</li> <li>• identification of the kind of information that individual stakeholder groups might seek</li> <li>• limitations of the usefulness of published accounts: historical, may not reflect the future, may be out of date, does not reflect qualitative aspects of a business,</li> <li>• possibility of 'window dressing', may not have details of the performance of individual parts of a business</li> <li>• <b>[Note:</b> Knowledge of specific Accounting Standards is not required.]</li> </ul>



## 5 Finance and accounting (AS Level) continued

### 5.5 Forecasting and managing cash flows

#### 5.5.1 Purposes of cash flow forecasts

#### 5.5.2 Cash flow forecasts in practice

#### 5.5.3 Methods of improving cash flow

- difference between cash and profits
- the need to hold a suitable level of cash within a business, and the consequences of not doing so
- uses of cash flow forecasts
- construction of cash flow forecasts, including recognising the uncertainty of cash flows
- interpretation of simple cash flow forecasts from given data
- amendment of cash flow forecasts in the light of changes in business circumstances
- how reducing costs or improving the management of trade receivables and trade payables can improve cash flow
- further methods of improving cash flows: debt factoring, sale and leaseback, leasing, hire purchase
- recognition of situations in which the various methods of improving cash flow can be used

## 3.2 Additional A Level content – Paper 3

The content of the AS Level is assumed knowledge for the assessment of Paper 3.

<b>1 Business and its environment (A Level)</b>	
<p>The Cambridge International A Level includes the content and skills of the Cambridge International AS Level. The aim at Cambridge International A Level is to use awareness of business concepts to make decisions and develop plans of action that would allow a business to react positively to external changes. Some knowledge will be directly examined. Emphasis is on recognising the potential conflict between objectives and the resolution of such conflicts. There should be an appreciation of the nature of the uncertain business environment and the development of business plans of action which aim to respond effectively to the changing business environment. Knowledge of country specific laws and customs are not required, since the emphasis is on understanding how businesses might have to change their behaviour when influenced by such constraints.</p>	
<b>1.1 Enterprise</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>1.2 Business structure</b>	<ul style="list-style-type: none"> <li>• main differences between local, national and multinational businesses</li> <li>• the growing importance of international trading links and their impact on business activity</li> <li>• benefits and disadvantages that a multinational might bring to a country</li> <li>• possible relationships between multinationals and the state</li> <li>• advantages and disadvantages of privatisation in a given situation</li> </ul>
1.2.1 Local, national and multinational businesses	
1.2.2 Multinationals	
1.2.3 Privatisation	
<b>1.3 Size of business</b>	<ul style="list-style-type: none"> <li>• the different types of merger and takeover: horizontal, vertical (backward and forward), conglomerate, friendly merger, hostile takeover</li> <li>• impact of a merger/takeover on the various stakeholders</li> <li>• why a merger/takeover may or may not achieve objectives, e.g. synergy</li> <li>• the importance of joint ventures and strategic alliances as methods of external growth</li> </ul>
1.3.1 External growth	
<b>1.4 Size of business</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>1.5 Stakeholders in a business</b>	<i>No content beyond Cambridge International AS Level.</i>

## 1 Business and its environment (A Level) continued

### 1.6 External influences on business activity

#### 1.6.1 Political and legal

- how a government might use the law to seek to control: employment, conditions of work (including health and safety), minimum wage, marketing behaviour, competition, location decisions, particular goods and services
- how international agreements might have an impact on businesses

#### 1.6.2 Economic constraints and enablers

- how the state might intervene to help businesses (small and large)
- how the state might intervene to constrain businesses (small and large)
- how the state might deal with market failure
- the key macroeconomic objectives of governments: low unemployment, low inflation, stable exchange rates, growth, transfer of wealth
- how these macroeconomic objectives can have an impact on business activity
- how a government might place a different emphasis on macroeconomic objectives from time to time
- policy instruments used to achieve macroeconomic objectives, e.g. monetary, fiscal and exchange rate policies
- how changes in macroeconomic performance and policies may affect business behaviour

#### 1.6.3 Social

- the impact of and issues associated with corporate social responsibility (CSR), e.g. accounting practices, paying incentives for the award of contracts, social auditing
- why businesses need to consider the needs of the community including pressure groups

#### 1.6.4 Technological (including the internet)

- problems of introducing technological change

#### 1.6.5 Other businesses

- how businesses are constrained by and rely on other businesses

#### 1.6.6 Demographic

- how a business might react to a given demographic change

#### 1.6.7 Environmental

- how (physical) environmental issues might influence business behaviour

<b>2 People in organisations (AS Level)</b>	
<p>The Cambridge International A Level includes the content and skills of the Cambridge International AS Level. Although some further knowledge and application of that knowledge will be directly tested at Cambridge International A Level, the emphasis is on the interrelationship between organisational structure, leadership style and management of people within a business. Candidates will be expected to evaluate the implications of these for the effective planning and management of human resources.</p>	
<b>2.1 Management and leadership</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>2.2 Motivation</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>2.3 Human resource management (HRM)</b>	<ul style="list-style-type: none"> <li>• the difference between ‘hard’ and ‘soft’ HRM</li> <li>• flexibility e.g. advantages and disadvantages of temporary contracts or flexible contracts, e.g. zero hours contracts and part-time against full-time workers</li> <li>• the measurement, causes and consequences of poor employee performance</li> <li>• strategies for improving employee performance</li> <li>• Management by Objectives (MBO) – implementation and usefulness</li> <li>• the need for labour legislation and the broad principles that often underlie it</li> <li>• how cooperation between management and the workforce can be of benefit to both</li> <li>• reasons for and role of a workforce plan</li> <li>• the benefits to employers and employees of trade union involvement in the workplace including their role in collective bargaining</li> </ul>
2.3.1 Approaches to HRM	
2.3.2 Labour legislation	
2.3.3 Cooperation between management and workforce	
2.3.4 Workforce planning	
2.3.5 Role of trade unions in HRM	

<b>2 People in organisations (AS Level) continued</b>	
<b>2.4. Organisational structure</b>	
2.4.1 Relationship between business objectives, people and organisational structure	<ul style="list-style-type: none"> <li>• purpose and attributes of an organisational structure such as flexibility, meet the needs of the business, permit growth and development</li> </ul>
2.4.2 Types of structure: functional, hierarchical (flat and narrow), matrix	<ul style="list-style-type: none"> <li>• advantages and disadvantages of the different types of structure</li> <li>• why some organisations are structured by product and others by function or geographical area</li> <li>• the reasons and ways structures change, e.g. with growth or delayering</li> </ul>
2.4.3 Formal and informal organisations	<ul style="list-style-type: none"> <li>• features of a formal structure: levels of hierarchy, chain of command, span of control, responsibility, authority, delegation/accountability, centralised/decentralised</li> </ul>
2.4.4 Delegation and accountability	<ul style="list-style-type: none"> <li>• relationship between delegation and accountability</li> <li>• processes of accountability in a business</li> <li>• advantages and disadvantages of delegating</li> <li>• the impact of delegation on motivation</li> </ul>
2.4.5 Control, authority and trust	<ul style="list-style-type: none"> <li>• relationship between span of control and levels of hierarchy</li> <li>• difference between authority and responsibility</li> <li>• conflicts between control and trust that might arise when delegating</li> </ul>
2.4.6 Centralisation	<ul style="list-style-type: none"> <li>• advantages and disadvantages of centralisation for stakeholders</li> </ul>
2.4.7 Line and staff	<ul style="list-style-type: none"> <li>• examples of and distinctions between line and staff management; conflict between them</li> </ul>
<b>2.5 Business communication</b>	
2.5.1 Purposes of communication	<ul style="list-style-type: none"> <li>• situations in which communication is essential</li> </ul>
2.5.2 Methods of communication	<ul style="list-style-type: none"> <li>• standard methods of communication: interpersonal, general to and within groups; spoken, written, electronic, visual</li> <li>• strengths and weaknesses of the different methods of communication</li> </ul>
2.5.3 Channels of communication	<ul style="list-style-type: none"> <li>• how communication works within an organisation</li> <li>• difference between one- and two-way communication; difference between vertical and horizontal communication</li> <li>• problems associated with different channels of communication</li> </ul>
2.5.4 Barriers to communication	<ul style="list-style-type: none"> <li>• barriers to communication: attitudes, perceptions, noise, language, inappropriate medium, etc.</li> </ul>
2.5.5 The role of management in facilitating communication	<ul style="list-style-type: none"> <li>• the role of informal communications within a business</li> <li>• ways in which communication can influence the efficiency of a business</li> <li>• ways of improving communication in a given situation</li> </ul>

<b>3 Marketing (A Level)</b>	
<p>The Cambridge International A Level includes the content and skills of the Cambridge International AS Level. Although some additional knowledge and application of that knowledge will be directly tested at Cambridge International A Level, the emphasis is on using marketing concepts to develop strategies and evaluate changing situations/options.</p>	
<b>3.1 What is marketing</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>3.2 Market research</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>3.3 The marketing mix</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>3.4 Marketing planning</b> 3.4.1 Market planning 3.4.2 Elasticity 3.4.3 Product development 3.4.4 Forecasting 3.4.5 Coordinated marketing mix	<ul style="list-style-type: none"> <li>• the detailed marketing plan; associated benefits</li> <li>• income elasticity, promotional elasticity, cross elasticity; usefulness of the concept of elasticity in its various forms</li> <li>• product development as a process from original conception to launch and beyond</li> <li>• sources of new ideas for product development</li> <li>• the importance of Research and Development</li> <li>• the need to forecast marketing data</li> <li>• calculation and use of moving average method to forecast sales</li> <li>• the need for and development of a coordinated marketing mix</li> <li>• development of marketing strategies that are focused towards achieving specific marketing objectives</li> </ul>
<b>3.5 Globalisation and international marketing</b> 3.5.1 Globalisation 3.5.2 Strategies for international marketing	<ul style="list-style-type: none"> <li>• economic globalisation within the context of the broader concept of 'globalisation'</li> <li>• the implications for marketing of increased globalisation and economic collaboration, e.g. BRICS</li> <li>• the importance of international marketing for a specific business/situation</li> <li>• international markets – identification, selection and entry</li> <li>• whether a business in a given situation should develop an international market through pan-global marketing or maintain local differences</li> <li>• choosing a strategy, in a given situation, to develop a global market</li> <li>• factors influencing the method of entry into international markets</li> </ul>

<b>4 Operations and project management (A Level)</b>	
The Cambridge International A Level includes the content and skills of the Cambridge International AS Level. Although additional knowledge and application of this knowledge will be directly tested at Cambridge International A Level, the emphasis is on using operations and project management concepts and techniques to develop strategies, improve efficiency and evaluate situations/options.	
<b>4.1 The nature of operations</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>4.2 Operations planning</b>	<ul style="list-style-type: none"> <li>• main features of an ERP programme</li> <li>• how ERP can improve a business' efficiency in relation to: inventory control, costing and pricing, capacity utilisation, responses to change, management information</li> </ul>
4.2.1 Enterprise resource planning (ERP)	
<b>4.3 Inventory management</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>4.4 Capacity utilisation</b>	<ul style="list-style-type: none"> <li>• how capacity utilisation can be measured</li> <li>• implications of operating under or over maximum capacity</li> <li>• choosing methods of improving capacity utilisation (e.g. through rationalisation, sub-contracting)</li> <li>• benefits of outsourcing in a given situation</li> </ul>
4.4.1 Measurement and significance of capacity	
4.4.2 Increasing capacity utilisation	
4.4.3 Outsourcing	
<b>4.5 Lean production and quality management</b>	<ul style="list-style-type: none"> <li>• links between lean production and inventory control, quality, employees roles, capacity management and efficiency</li> <li>• Kaizen (continuous improvement) in the context of lean production</li> <li>• JIT in the context of lean production</li> <li>• implications and justification of adopting a JIT approach</li> <li>• quality in terms of what the customer demands</li> <li>• the importance of quality assurance</li> <li>• methods of quality control: inspection, testing, random sampling, involving the workforce in quality control</li> <li>• the link between quality and training</li> <li>• aims and effectiveness of TQM</li> <li>• the potential of Kaizen in TQM</li> <li>• the importance of benchmarking in quality control</li> </ul>
4.5.1 Lean production	
4.5.2 Kaizen	
4.5.3 Just in Time (JIT)	
4.5.4 Quality control and assurance	
4.5.5 Total Quality Management	
4.5.6 Benchmarking	

#### 4 Operations and project management (A Level) continued

##### 4.6 Project management

- |  |  |
|--|--|
| 4.6.1 The need for projects and project management | <ul style="list-style-type: none"> <li>• projects as a response to the need for change reasons and impact of project failure, including examples</li> </ul>  |
| 4.6.2 Network diagrams                             | <ul style="list-style-type: none"> <li>• main elements of a network diagram: activities, dummy activities, nodes</li> <li>• construction of a network from given data</li> </ul>   |
| 4.6.3 Critical Path Analysis (CPA)                 | <ul style="list-style-type: none"> <li>• finding the minimum project duration and the critical path</li> <li>• calculation of total and free float</li> <li>• interpretation of the results of the analysis of a network</li> <li>• how minimum duration and floats might be used in project management</li> <li>• CPA as a management tool</li> </ul> |

#### 5 Finance and accounting (A Level)

The Cambridge International A Level includes the content and skills of the Cambridge International AS Level. The focus at Cambridge International A Level is on using accounting information to aid strategic decision making and to evaluate the performance of a business and business investment projects in financial terms.

<b>5.1 The need for business finance</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>5.2 Sources of finance</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>5.3 Costs</b>	<ul style="list-style-type: none"> <li>• differences between full and contribution costing</li> <li>• uses and limitations of the full costing method</li> <li>• the nature of the technique of contribution costing</li> <li>• the difference between contribution and profit</li> <li>• limitations of contribution costing</li> <li>• situations in which contribution costing would be and would not be used</li> </ul>
5.3.1 Approaches to costing: full, contribution	
5.3.2 Solutions to costing problems	<ul style="list-style-type: none"> <li>• solution of numerical problems involving costing methods</li> <li>• using contribution costing to help with 'accept/reject' order decisions</li> </ul>
<b>5.4 Accounting fundamentals</b>	<i>No content beyond Cambridge International AS Level.</i>
<b>5.5 Forecasting and managing cash flows</b>	<i>No content beyond Cambridge International AS Level.</i>



5 Finance and accounting (A Level) continued	
<b>5.6 Budgets</b> 5.6.1 The purposes of budgets  5.6.2 Variances: adverse, favourable	<ul style="list-style-type: none"><li>• measuring performance</li><li>• benefits and drawbacks from the use of budgets</li><li>• how budgets might be produced</li><li>• use of flexible budgets and zero budgeting</li><li>• purposes of budgets for allocating resources, controlling and monitoring of a business</li><li>• role of budgets in appraising business</li><li>• the meaning of variances</li><li>• calculation and interpretation of variances [but not price/volume variances]</li></ul>
<b>5.7 Contents of published accounts</b> 5.7.1 The income statement  5.7.2 The statement of financial position  5.7.3 Inventory valuation  5.7.4 Depreciation	<ul style="list-style-type: none"><li>• amendment of an income statement from given data</li><li>• the impact on the income statement of a given change</li><li>• amendment of a statement of financial position from given data</li><li>• the relationships between items in the income statement and the statement of financial position</li><li>• the impact on the statement of financial position of a given change in valuing non-current assets or inventories</li><li>• the difficulties of valuing inventory</li><li>• the net realisable value method [Note: LIFO and FIFO will not be examined]</li><li>• the role of depreciation in the accounts</li><li>• the impact of depreciation (straight line method only) on the statement of financial position and the income statement</li></ul>
<b>5.8 Analysis of published accounts</b> 5.8.1 Profitability ratio 5.8.2 Financial efficiency ratios 5.8.3 Gearing ratio  5.8.4 Investor ratios 5.8.5 Practical use of ratio analysis	<ul style="list-style-type: none"><li>• return on capital employed</li><li>• inventory turnover, days' sales in receivables</li><li>• all the usual definitions of gearing are acceptable, e.g. Debt/Equity and Debt/(Debt + Equity). It is the interpretation of the calculation that is important when selecting a source of finance</li><li>• dividend yield, dividend cover, price/earnings ratio</li><li>• how each of these ratios is used</li><li>• reasons for the results obtained</li><li>• strategies that businesses might adopt to improve ratio results</li><li>• comparison of ratios results between businesses</li><li>• limitations of these accounting ratios</li></ul>

## 5 Finance and accounting (A Level) continued

<p><b>5.9 Investment appraisal</b></p> <p>5.9.1 The concept of investment appraisal</p> <p>5.9.2 Basic methods: payback, accounting rate of return (ARR)</p> <p>5.9.3 Discounted cash flow methods: discounted payback, net present value (NPV), internal rate of return (IRR)</p> <p>5.9.4 Qualitative factors in investment appraisal</p>	<ul style="list-style-type: none"> <li>• the need for investment appraisal</li> <li>• the significance of risk in investment decisions</li> <li>• the meaning, calculation and interpretation of payback and ARR</li> <li>• the meaning, calculation and interpretation of discounted payback and NPV</li> <li>• the meaning and interpretation [but not the calculation] of IRR</li> <li>• qualitative factors that might influence an investment decision in a given situation</li> <li>• comparison of the investment appraisal methods, including their limitations</li> </ul>
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## 6 Strategic management (A Level)

The aim of this Cambridge International A Level topic area is to emphasise the integrated nature of strategic business decisions and the ways businesses implement strategic change successfully. Business strategy is concerned with the key decisions that need to be made by businesses of all sizes to survive and succeed in the long term. Strategic management is, therefore, the management of the long term activities of a business and this includes the careful integration of: strategic analysis (where is the business now?), strategic choice (identifying and deciding between options) and strategic implementation (planning for and managing change).

This topic introduces some new subject content, but it also gathers together and synthesises business ideas, concepts and techniques from other topic areas of the syllabus. Selecting between and justifying strategies is the central theme of this topic area. Candidates will be expected to analyse, develop and evaluate future long term strategies in a variety of business situations. While some strategies may relate directly to particular functional areas, there will be a need to judge the likely overall effectiveness of these in the wider context of the business and its overall aims.

<p><b>6.1 What is strategic management?</b></p> <p>6.1.1 Understanding what strategic management is</p>	<ul style="list-style-type: none"> <li>• the meaning of corporate strategy, tactics and strategic management</li> <li>• the need for strategic management</li> <li>• Chandler's assertion that strategy should determine organisational structure</li> <li>• how business strategy determines competitive advantage in an increasingly competitive world</li> </ul>
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<b>6 Strategic management (A Level) continued</b>	
<p><b>6.2 Strategic analysis</b></p> <p>6.2.1 SWOT analysis</p> <p>6.2.2 PEST or External Environment analysis</p> <p>6.2.3 Business vision/mission statement and objectives</p> <p>6.2.4 Boston Matrix</p> <p>6.2.5 Porter’s Five Forces</p> <p>6.2.6 Core Competencies</p>	<ul style="list-style-type: none"> <li>• undertake and interpret SWOT (strengths, weaknesses, opportunities, threats) analysis in a given situation</li> <li>• development of the outcome of a SWOT analysis into strategic objectives</li> <li>• undertake and interpret PEST (political, economic, social, technological) analysis in a given situation</li> <li>• evaluation of the role of business vision/mission statements and objectives in strategic analysis</li> <li>• undertake and interpret Boston Matrix analysis on the product portfolio of a business</li> <li>• use Porter’s Five Forces analysis as a framework for business strategy</li> <li>• use Prahalad and Hamel’s Core Competencies analysis as a framework for business strategy</li> </ul>
<p><b>6.3 Strategic choice</b></p> <p>6.3.1 The Ansoff Matrix</p> <p>6.3.2 Force Field Analysis</p> <p>6.3.3 Decision trees</p>	<ul style="list-style-type: none"> <li>• the structure of the Ansoff Matrix and how it analyses the link between business strategy and risk</li> <li>• use of the Ansoff Matrix to analyse and evaluate different business strategies in a given situation</li> <li>• the use of simple Force Field Analysis as a means of making strategic choices in a given situation</li> <li>• construction of simple decision trees from information given</li> <li>• calculation of the expected monetary values from decision trees and use of the results to assist in selecting the most appropriate strategy</li> <li>• the usefulness of decision trees including an assessment of the accuracy of the data they contain</li> </ul>
<p><b>6.4 Strategic implementation</b></p> <p>6.4.1 Business plans</p> <p>6.4.2 Corporate culture and strategic implementation</p> <p>6.4.3 Developing a change culture</p> <p>6.4.4 Managing and controlling strategic change</p> <p>6.4.5 Contingency planning and crisis management</p>	<ul style="list-style-type: none"> <li>• key elements of business plans</li> <li>• the value of business plans for large and small, established and start-up businesses</li> <li>• key elements and purpose of corporate plans</li> <li>• different types of corporate culture such as power, entrepreneurial and task</li> <li>• importance of corporate culture in strategic implementation in a given situation</li> <li>• importance of developing a change culture to allow effective implementations of new strategies</li> <li>• the importance of leading and managing change</li> <li>• techniques to implement and manage change successfully</li> <li>• development of a strategy to manage change in a given situation</li> <li>• importance of contingency planning and crisis management</li> </ul>

## 4 Other information

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### Equality and inclusion

We have taken great care in the preparation of this syllabus and related assessment materials to avoid bias of any kind. To comply with the UK Equality Act (2010), we have designed this qualification with the aim of avoiding direct and indirect discrimination.

The standard assessment arrangements may present unnecessary barriers for candidates with disabilities or learning difficulties. Arrangements can be put in place for these candidates to enable them to access the assessments and receive recognition of their attainment. Access arrangements will not be agreed if they give candidates an unfair advantage over others or if they compromise the standards being assessed. Candidates who are unable to access the assessment of any component may be eligible to receive an award based on the parts of the assessment they have taken.

Information on access arrangements is in the *Cambridge Handbook* at [www.cambridgeinternational.org/eoguide](http://www.cambridgeinternational.org/eoguide)

### Language

This syllabus and the associated assessment materials are available in English only.

### Making entries

Exams officers are responsible for submitting entries to Cambridge International. We encourage them to work closely with you to make sure they enter the right number of candidates for the right combination of syllabus components. Entry option codes and instructions for submitting entries are in the *Cambridge Guide to Making Entries*. Your exams officer has a copy of this guide.

### Exam administration

To keep our exams secure, we produce question papers for different areas of the world, known as administrative zones. We allocate all Cambridge schools to one administrative zone determined by their location. Each zone has a specific timetable. Some of our syllabuses offer candidates different assessment options. An entry option code is used to identify the components the candidate will take relevant to the administrative zone and the available assessment options.

## Retakes

Candidates can retake Cambridge International AS Level and Cambridge International A Level as many times as they want to. Cambridge International AS & A Levels are linear qualifications. Candidates must enter for an option that leads to certification. To confirm what entry options are available for this syllabus, refer to the *Cambridge Guide to Making Entries* for the relevant series.

Candidates can carry forward the result of their Cambridge International AS Level assessment from one series to complete the Cambridge International A Level in a following series, subject to the rules and time limits described in the *Cambridge Handbook*.

## Grading and reporting

Cambridge International A Level results are shown by one of the grades A\*, A, B, C, D or E, indicating the standard achieved, A\* being the highest and E the lowest. 'Ungraded' indicates that the candidate's performance fell short of the standard required for grade E. 'Ungraded' will be reported on the statement of results but not on the certificate. The letters Q (pending), X (no result) and Y (to be issued) may also appear on the statement of results but not on the certificate.

Cambridge International AS Level results are shown by one of the grades a, b, c, d or e, indicating the standard achieved, 'a' being the highest and 'e' the lowest. 'Ungraded' indicates that the candidate's performance fell short of the standard required for grade 'e'. 'Ungraded' will be reported on the statement of results but not on the certificate. The letters Q (pending), X (no result) and Y (to be issued) may also appear on the statement of results but not on the certificate.

If a candidate takes a Cambridge International A Level and fails to achieve grade E or higher, a Cambridge International AS Level grade will be awarded if both of the following apply:

- the components taken for the Cambridge International A Level by the candidate in that series included all the components making up a Cambridge International AS Level
- the candidate's performance on the AS Level components was sufficient to merit the award of a Cambridge International AS Level grade.

## How students, teachers and higher education can use the grades

### Cambridge International A Level

Assessment at Cambridge International A Level has two purposes:

- to measure learning and achievement  
The assessment:
  - confirms achievement and performance in relation to the knowledge, understanding and skills specified in the syllabus, to the levels described in the grade descriptions.
- to show likely future success  
The outcomes:
  - help predict which students are well prepared for a particular course or career and/or which students are more likely to be successful
  - help students choose the most suitable course or career.

### Cambridge International AS Level

Assessment at Cambridge International AS Level has two purposes:

- to measure learning and achievement  
The assessment:
  - confirms achievement and performance in relation to the knowledge, understanding and skills specified in the syllabus.
- to show likely future success  
The outcomes:
  - help predict which students are well prepared for a particular course or career and/or which students are more likely to be successful
  - help students choose the most suitable course or career
  - help decide whether students part way through a Cambridge International A Level course are making enough progress to continue
  - guide teaching and learning in the next stages of the Cambridge International A Level course.

'While studying Cambridge IGCSE and Cambridge International A Levels, students broaden their horizons through a global perspective and develop a lasting passion for learning.'

**Zhai Xiaoning**, Deputy Principal, The High School Affiliated to Renmin University of China

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