

# **Level 1 and 2 Award in Business Studies (8994)**



## **Examination Support Guide**

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September 2009  
Version 1.0

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## **Examination Support Guide**

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# **1 About the Qualification**

## **1.1 Introduction**

### **Aim of qualification**

The Business Studies award offers the opportunity for candidates' to demonstrate knowledge and understanding of modern business activity in their domestic and the international environment.

The award is divided into two levels.

### **Level 1**

The aim of the Level 1 qualification tests candidates' ability to state facts, use appropriate business terminology and to give examples of concepts applicable to business. Candidates' ability to apply concepts and information in calculating and solving simple problems and to interpret information presented in verbal, numerical and demographical form will be tested, as will their ability to identify, select, organise and present facts, data and information appropriately.

### **Level 2**

Level 2 candidates are expected to have not only a firm grasp of the underpinning theory of the subject area but the ability to apply their knowledge in order to offer solutions to business problems. Their ability to apply theory and use appropriate vocabulary to describe business situations and solve commercial problems, including the application of simple numerical problems will be tested, as will their ability to analyse, discuss and communicate relevant and meaningful information from different types of input data.

### **Target group**

#### **Level 1**

Level 1 is aimed at candidates seeking a broad understanding of business activity, organisation and context. It is particularly suitable for those aspiring to gain first level administration positions which need the underpinning of a wide contextual appreciation of the business world to enhance their ability to function efficiently.

#### **Level 2**

Level 2 is aimed at candidates who wish to develop skills to enable them to function competently in a broad range of business situations. It is particularly suitable for those aspiring to gain administrative and managerial positions and those seeking to work in a specialist function, eg banking, insurance, who require a particular knowledge of business at local, national and international levels.

# 1 About the Qualification

## 1.2 General information for centres

### The syllabus

The syllabus outcomes can be found in the qualification handbook which is downloadable from the City & Guilds website. [www.cityandguilds.com](http://www.cityandguilds.com)

### Guided learning hours

City & Guilds do not determine the length of courses, or the number of hours of study required (ie in the classroom or in self-study set by the trainer/tutor).

The best indicator is when candidates have covered all areas of the syllabus and can successfully complete a sample test paper within the given time.

Success in the examination results from demonstrating the ability to achieve the objectives that will be tested. Practice papers will enable candidates to know what is expected of them in an examination.

The recommended learning hours for each Level is 90 hours. Please note that the length of each course will vary according to the circumstances and learners.

### The examination

For both levels the examination is a question and answer booklet and comprises of two parts; Section A and Section B.

#### Level 1

Section A - 15 short answer/objective questions covering all areas of the syllabus.

Section B - 3 structured answer questions covering three sections of the syllabus, and not topics covered in Section A.

#### Level 2

Section A - 12 short answer questions covering all areas of the syllabus.

Section B - 3 structured answer questions covering three sections of the syllabus and not topics covered in Section A.

All questions and tasks are compulsory. Candidates must complete all tasks within the examination time.

Calculators and English and mother tongue dictionaries are allowed during the examination.

All final answers must be in blue or black ink. If additional separate sheets of paper are used, ensure they are clearly labelled with the candidate's name.



## **Examination times**

### **Level 1**

The examination lasts for 1 hour 30 minutes (Plus 5 minutes' reading time). Note making during reading time is not allowed.

### **Level 2**

The examination lasts for 2 hours (Plus 5 minutes' reading time). Note making during reading time is not allowed.

## **Assessment**

Candidates' performance will be assessed as follows:

### **Level 1**

Section A - 35 marks will be awarded for correct answers to the short answer questions.

Section B - 15 marks will be awarded for 2 and 5 marks for 1 of the structured questions giving a total of 35 marks for the section.

Marks for Sections A and B are aggregated. At least 40% must be achieved in each section.

To be awarded a Pass candidates must achieve 54%. (38 out of 70 marks)

A First Class Pass will be awarded to candidates who achieve 70% overall. (49 out of 70 marks).

### **Level 2**

Section A - 30 marks will be awarded for correct answers to the short answer questions.

Section B - 15 marks will be awarded for 2 and 10 marks for 1 of the structured questions, giving a total of 40 marks for the section.

Marks for Sections A and B are aggregated. At least 40% must be achieved in each section.

To be awarded a Pass candidates must achieve 54% (38 out of 70 marks)

A First Class Pass will be awarded to candidates who achieve 70% overall. (49 out of 70 marks).

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## 2 Level 1 Sample Assessment Material

### 2.1 Sample Question Paper

#### Business Studies

Level 1

8994-01-001

Sample 001

This paper must be returned with the candidate's work, otherwise the entry will be void and no result will be issued.



---

Candidate's name (Block letters please)

---

Centre no

---

Date

---

**Time allowed:** 1 hour 30 minutes  
(plus 5 minutes' reading time).

Answer **all** questions. All answers must be written in blue or black ink.

Your answers should be written in the question booklet in the spaces provided.

If additional separate sheets of paper are used, make sure each page is clearly labelled with your name.

Calculators and English and mother tongue dictionaries can be used.

#### For examiner's use only

Section A	Section B			Total
35	Q1 - 15	Q2 - 15	Q3 - 5	70

**Section A**

Answer **all** questions in this section – 35 marks

1. Name which sector of business employs the following people:

a) Chair manufacturer

.....

b) Coal miner

.....

c) Insurance broker

.....

(3 marks)

2. State what happens to the price of a product when supply reduces and the demand for it stays high.

.....

(1 mark)

3. State **two** advantages of a market economy.

.....

.....

(2 marks)

4. Explain, using an example, the term ‘specialisation’.

.....

.....

(2 marks)

5. Give the most suitable method of communication for the following:

a) The production manager informing all 40 production workers that they may be required to work overtime because an urgent order has been received

.....

(1 mark)

b) A job applicant who is to be invited for an interview

.....

(1 mark)

6. Explain using an example the term franchise.

.....  
.....

*(2 marks)*

7. Using an example explain a **local** public sector organisation.

.....  
.....

*(2 marks)*

8. Explain the difference between horizontal integration and vertical integration.

.....  
.....  
.....

*(3 marks)*

9. List **three** stages of a typical product life cycle.

.....  
.....  
.....

*(3 marks)*

10. Excluding cash, explain **two** different methods of making payment for goods and services.

.....  
.....  
.....  
.....

*(4 marks)*

- .....

.....

- .....

.....

- .....

- .....

.....

(Total 35 marks)

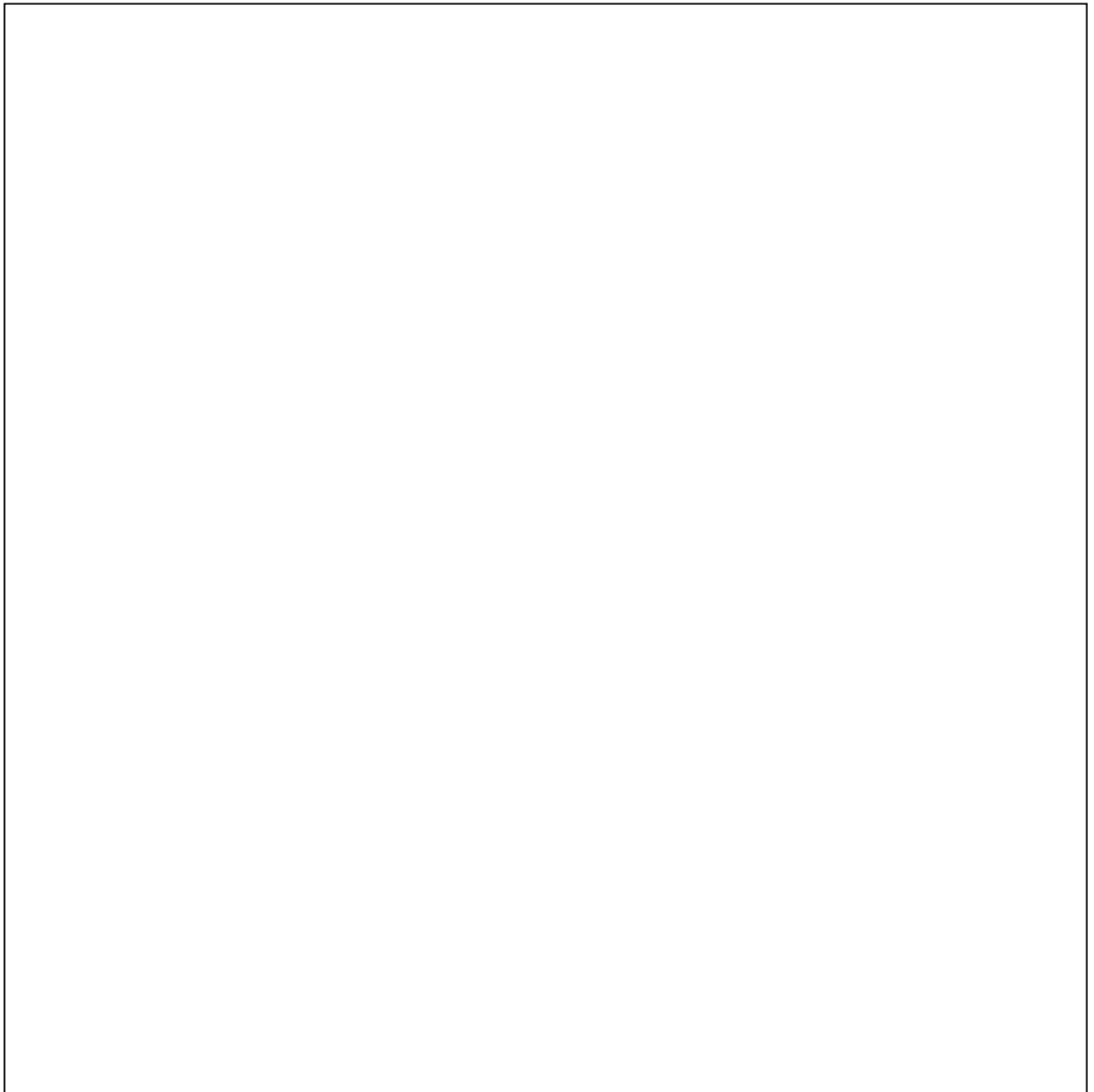
## Section B

Answer all questions in this section – 35 marks

- 1 a) Sunshine Awnings Ltd has the following management team. Using the following information draw an organisation chart in the box below

- a managing director
- three departmental managers: human resources (personnel); finance; production
- a board of directors
- a chief accountant
- works manager
- health and safety officer

*(8 marks)*



- b) Sunshine Awnings Ltd want to raise their workforce's productivity using non-monetary rewards. Explain what is meant by non-monetary rewards and give **two** examples.

.....

.....

.....

.....

.....

.....

*(4 marks)*

- c) By increasing production, Sunshine Awnings Ltd hope to gain economies of scale. Explain the meaning of 'economies of scale' and give **one** example.

.....

.....

.....

.....

*(3 marks)*

*(Total 15 marks)*



2 Teenage Fashions Ltd is a successful business that designs and makes casual clothes for girls in the 13-16 years age group. It is considering developing a range of clothing for boys in a similar age range. The Managing Director thinks that some market research should be undertaken but the Finance Director thinks it would be a waste of money.

a) Explain **three** reasons why Teenage Fashions Ltd should undertake market research before designing and making a range of boys' clothing.

.....

.....

.....

.....

.....

.....

.....

.....

.....

(6 marks)

b) State **two** methods of primary research that Teenage Fashions Ltd could use, outlining **one** benefit of each method.

.....

.....

.....

.....

.....

.....

(4 marks)

If Teenage Fashions Ltd do decide to develop a range of clothing for boys they will need to raise money to finance the development.

- c) The Finance Director considers the money should be raised by retained profits. Explain the term 'retained profits' and give **one** advantage of raising finance in this way.

.....

.....

.....

(2 marks)

- d) The Managing Director of Teenage Fashions Ltd considers the business should consider external finance. State **one** method of raising finance from outside of the business and list **one** disadvantage of the method.

.....

.....

.....

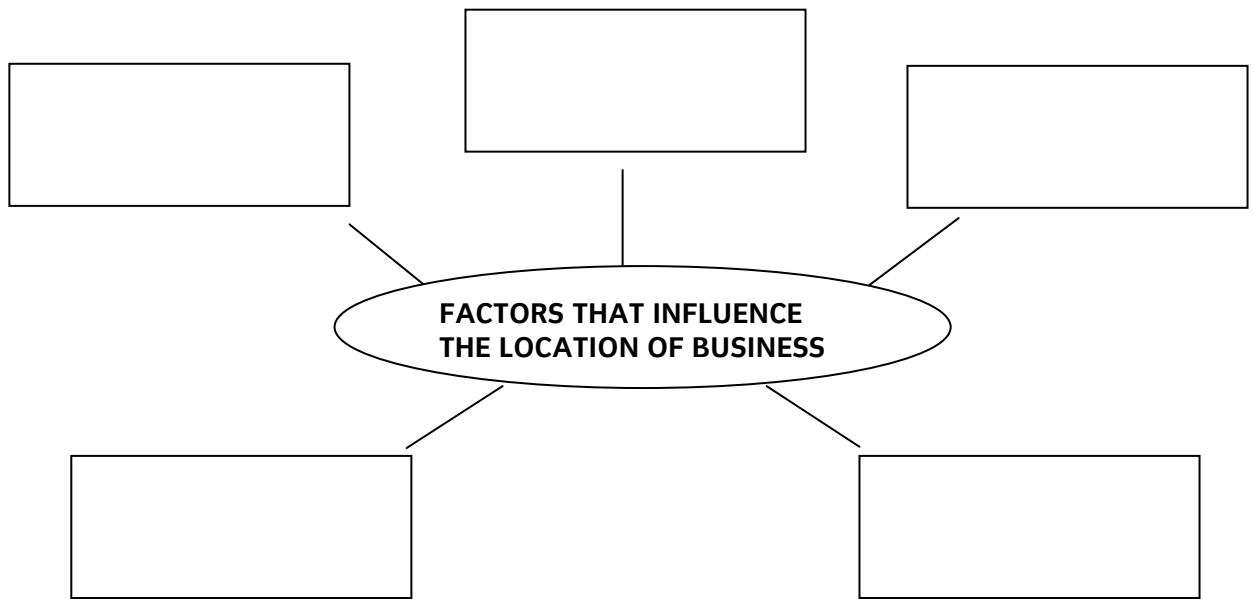
.....

(3 marks)

(Total 15 marks)

- 3 Complete the following diagram by showing five important factors which influence the location of a business.

*(5 marks)*



*(Total 35 marks)*

---

**End of examination**

## 2 Level 1 Sample Assessment Material

### 2.2 Example marking scheme

NB 1 + 1 indicates 1 mark for point plus 1 mark for development.

#### Section A

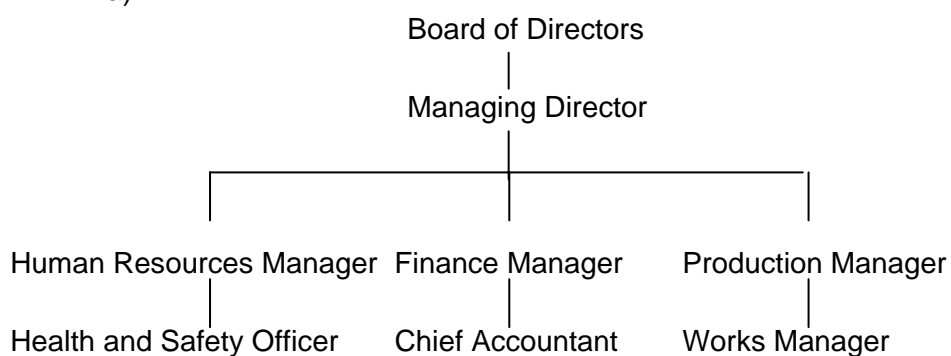
- 1 a) Secondary  
b) Primary  
c) Tertiary 3 marks
- 2 Price rises 1 marks
- 3 Wider choice of goods  
Prices kept down because of competition  
Incentive for business to be efficient  
Government provide services such as educational and health  
Markets responsive to what consumers want Any 2 x 1 = 2 marks
- 4 Employees do one particular operation all the time **and** suitable example,  
eg working on a production line 1 + 1 = 2 marks
- 5 a) Memo / face-to-face / meeting / email 1 mark  
b) Letter / telephone 1 mark
- 6 A form of operation whereby a franchisor is a business with a product or service that it does not sell directly. Instead it appoints franchisees to sell the product or idea to consumers. Examples eg McDonalds, KFC etc 1 + 1 = 2 marks
- 7 Local government or municipal organisation/service. Usually paid for out of local taxes. Examples: libraries, schools, swimming pools, police, etc 1 + 1 = 2 marks
- 8 **Horizontal integration:** When one firm merges with or takes over another one in the same industry at the same stage of production. 1 mark
- Vertical integration:** When one firm merges with or takes over another one in the same industry but at a different stage of production. 1 mark
- Vertical integration can be backward or forward. 1 mark

- 9 Birth / development  
Introduction  
Growth  
Maturity  
Saturation  
Decline  
Any 3 x 1 = 3 marks
- 10 Cheque  
Credit card  
Debit card  
Online banking  
2 x 1 + 1 = 4 marks
- 11 Air  
Used for small products that will perish or deteriorate quickly.  
Quick way of transporting products.  
1 + 1 = 2 marks
- 12 **Advantages**  
Flexible – production can easily be changed from one product to another.  
Production not affected if machinery breaks down.  
Gives some variety to workers' jobs  
Allows use of machinery – costs lower  
Any 1 = 1 mark
- Disadvantages**  
Loss of output – semi- or finished products need moving about.  
Warehouse space needed for stocks of raw materials and components  
Any 1 = 1 mark
- 13 Workers cost a great deal to recruit and train.  
Workers likely to be better motivated.  
Workers likely to work more efficiently.  
Workers likely to stay longer with the firm.  
Cares for worker's safety  
Any 2 x 1 = 2 marks
- 14 Job description  
Advertising  
Selection / short listing  
Interviewing  
Appointment  
Any 3 x 1 = 3 marks
- 15 Trade associations lay down codes of practice for members.  
Consumers can make complaints to a trade association if they think a firm is breaking their code of practice  
Eg consumer association  
1 + 1 = 2 marks

**Total 35 marks**

## Section B

1 a)



1 mark each up to 8 marks

\* **Marks to be awarded only for managers in the correct position**

b) Rewards additional to wages/salaries

Make jobs more pleasant

1 + 1 = 2 marks

**Examples:**

Job rotation

Job enlargement

Job enrichment

Team working

Promotion

Award schemes ie Employee of the month

Fringe benefits

Any 2 x 1 = 2 marks

c) Factors that lead to a reduction in average costs as a business increases in size

2 marks

Purchasing economies

Marketing economies

Financial economies

Technical economies

Managerial economies

Any 1 = 1 mark

(Total 15 marks)

- 2 a) To find out if customers will buy product – if not, should not develop product  
How often customers will buy product – if rarely, not worthwhile developing  
Price customers willing to pay – must be high enough to cover costs and make a profit  
Type of customers interested in product – will help business to attract the correct market segment  
Where product is sold – no point in developing a product for shop if teenagers prefer to buy clothes in a department store, etc
- 3 x 1 + 1 = 6 marks
- b) Questionnaires – questions can be designed to find out exact information required  
Interviews – the interviewer can explain any questions that are not understood  
Consumer panels – panel members skilled and impartial  
**DO NOT ACCEPT OBSERVATION OR TESTING**
- 2 x 1 + 1 = 4 marks
- c) Profit left after tax and dividends have been paid  
**Advantage:** No interest or dividends to pay  
Immediate use of money  
No collateral required
- 1 + 1 = 2 marks
- d) 

<b>Method</b> Issue of shares Bank loans  Selling Debentures Factoring of debts Grants and subsidies	<b>Disadvantages</b> Shareholders expect dividends Have to be repaid eventually. Interest charged. Security/collateral usually required Must be repaid and interest charged Firm does not receive 100% of value of its debts Often come with 'strings attached'
--	---
- 2+1 = 3 marks
- (Total 15 marks)
- 3 a) Raw materials  
Transport network  
Location of other businesses  
Government incentives  
Availability of labour  
Cost of land  
Availability of land  
Cost of premises  
Availability of premises
- Any 5 x 1 = 5 marks
- Total 35 marks**

### 3 Level 2 Sample Assessment Material

#### 3.1 Sample examination question paper

## Business Studies

### Level 2

8994-02-002

Sample 002

This paper must be returned with the candidate's work, otherwise the entry will be void and no result will be issued.



---

Candidate's name (Block letters please)

---

Centre no

---

Date

---

**Time allowed:** 2 hours  
(plus 5 minutes' reading time).

Answer **all** questions. All answers must be written in blue or black ink.

Your answers should be written in the question booklet in the spaces provided

If additional separate sheets of paper are used, make sure each page is clearly labelled with your name

Calculators and English and mother tongue dictionaries can be used.

#### For examiner's use only

Section A	Section B			Total
30	Q1 - 15	Q2 - 15	Q3 - 10	70



**Section A**

Answer **all** questions in this section – 30 marks

- 1

a) Explain how the division of labour increases the output of a business.

.....

.....

(2 marks)

b) State **one** disadvantage to workers of specialisation.

.....

(1 mark)
- 2

a) Explain the purpose of trade blocs.

.....

.....

(2 marks)

b) State **one** problem that may occur when a country uses tariffs or quotas.

.....

(1 mark)
- 3

Using an example, explain what is meant by “an organisation’s business objectives”.

.....

.....

(2 marks)
- 4

Identify one external influence on business decisions.

.....

.....

(1 mark)
- 5

Outline **three** risks a business such as a multi-national takes when their goods are manufactured in one country and they export abroad.

.....

.....

.....

(3 marks)

- 6 Identify **three** functions of a typical administration department in a large business.

.....

.....

.....

(3 marks)

- 7 Explain why the marketing department of a business works closely with the production department.

.....

.....

.....

(2 marks)

- 8 Calculate the missing figures and complete the following profit and loss account

(3 marks)

**Profit and Loss Account**

	£	£
	<b>2005</b>	<b>2006</b>
Sales revenue	352 000	297 000
Less cost of goods sold	a).....	143 000
Gross profit	163 000	154 000
Less expenses		
Wages	52 000	51 000
Depreciation	11 000	11 000
Heating and lighting	43 000	41 000
Other expenses	b).....	<u>21 000</u>
	129 000	124 000
Net profit	c).....	<u>30 000</u>

9 Identify **three** theories of motivation.

.....

.....

.....

*(3 marks)*

10 Not including wages and salaries, state **two** monetary rewards for work.

.....

.....

*(2 marks)*

11 Explain the meaning of the term working capital and give **two** examples of what it is used for.

.....

.....

*(3 marks)*

12 State **two** reasons why managers may be reluctant to introduce technological changes in their businesses.

.....

.....

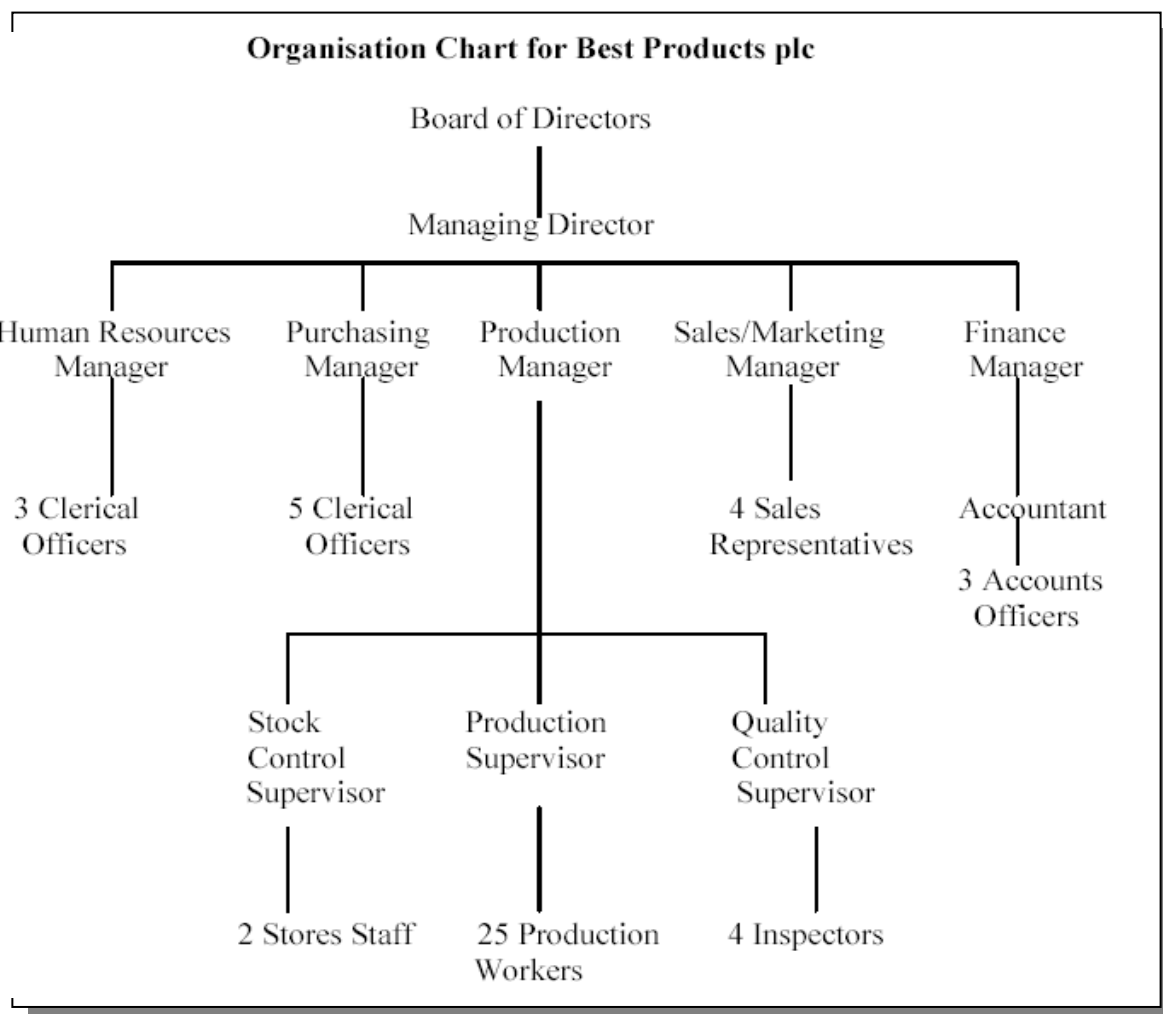
*(2 marks)*

*(Total 30 marks)*

## Section B

Answer **all** questions in this section – 40 marks

Study the chart below and then answer the questions that follow it.



- 1 a) Using an example from the above chart explain what is meant by
- l) Chain of command

.....

.....

.....

.....

(3 marks)

ii) Span of control

.....

.....

.....

.....

(3 marks)

b) The production manager has delegated the monitoring of the quality of production to the quality control supervisor.

i) Explain the term “delegation”

.....

.....

.....

(2 marks)

ii) Identify **two** possible advantages and **one** disadvantage for the production manager that could arise from delegation.

.....

.....

.....

.....

(3 marks)

c) One of the main aims of Best Products Ltd is to grow and expand. Explain **two** factors that could limit the growth of the business.

.....

.....

.....

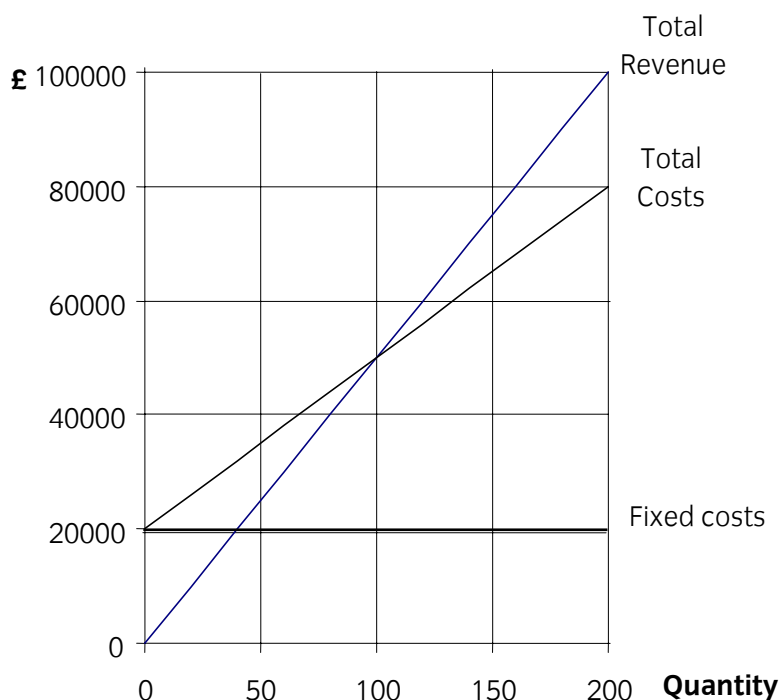
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(4 marks)

(Total 15 marks)

- 2 a) The break-even chart of A & B Computers Ltd is shown below. Study the chart and answer the questions that follow it.



- i) Explain what is meant by the “break-even point”.

.....  
 .....  
 .....  
 (2 marks)

- ii) State how many computers A & B Computers Ltd had to sell to break-even.

.....  
 (1 mark)

- iii) Explain **two** disadvantages of using break-even charts.

.....  
 .....  
 .....  
 .....  
 (4 marks)

- b) The management of A & B Computers Ltd are concerned about costs increasing within the business and are seeking ways to control expenditure. Explain ways in which the management can control expenditure using the following techniques:

i) Budgeting

.....

.....

.....

.....

.....

(3 marks)

ii) Stock control

.....

.....

.....

.....

.....

(3 marks)

- c) A & B Computers Ltd have identified a market gap in hand-held computers for managers. Explain the term “market gap”.

.....

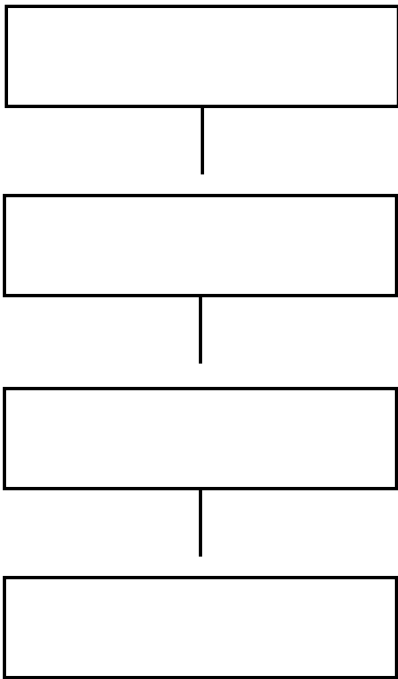
.....

.....

(2 marks)

(Total 15 marks)

- a) You are employed in the Human Resources (Personnel) Department of a large clothing manufacturer. The company require a computer operator. To ensure that the right person for the job is employed, complete the chart below with **four** of the stages involved in recruitment and selection.



(4 marks)

- b) When appointed, the new member of staff will work in the sales department which is developing e-commerce so that the business is not left behind its competitors.

- i) Explain **two** benefits of businesses trading online.

.....

.....

.....

.....

(4 marks)

- ii) State **two** methods of payment that can be used when buying online.

.....

.....

(2 marks)

(Total 10 marks)

**Total 40 marks**

**End of examination**



### 3 Business Studies – Level 2

#### 3.2 Sample marking scheme

NB \* indicates own figure. (1+1) indicates 1 mark for point plus 1 mark for development.

##### Section A

- 1 a) Workers become expert / more skilled at their jobs  
Time moving from one job to another avoided  
Reduces need for training  
1 + 1 = 2 marks
- b) Boredom / lack of motivation  
Difficult to move to different job – become a specialist  
1 mark
- 2 a) A group of countries that share free trade agreements and have common tariffs so that imports from countries outside the bloc are discouraged.  
1 + 1 = 2 marks
- b) Retaliation  
Price rises  
Legal problems (eg between EU members who try to introduce tariffs/quotas)  
Inefficiency due to lack of competition  
Any 1 = 1 mark
- 3 Targets set by the Board of Directors that affect decision-making throughout the business, eg to break-even; make a return on capital, etc  
1 + 1 = 2 marks
- 4 Social  
Economic  
Technological  
Political  
1 mark
- 5 Communication difficulties caused by being located in different countries.  
Coping with the different legal requirements of other countries.  
Fluctuating exchange rates  
Transportation – across longer distance  
3 marks
- 6 Clerical support services: mail, reception, filing, information & data processing.  
Information technology: responsibility for efficient operation & maintenance  
Cleaning and maintenance: safe, healthy working conditions  
Security  
Any 3 x 1 = 3 marks

- 7      Product details need to be checked before advertising.  
Availability of products need to be checked before advertising.
- 1 + 1 = 2 marks
- 8      £189 000  
£23 000  
£34 000
- 3 marks
- 9      Maslow  
Herzberg  
McGregor
- 3 marks
- 10     Commission  
Profit-sharing  
Bonuses  
Performance-related pay
- 2 + 1 = 2 marks
- 11     The day-to-day finance available for running a business OR  
Current assets minus current liabilities.  
**Examples:**  
Raw materials  
Running costs  
To fund credit offered to customers (debtors)
- Any 1 + 2 = 3 marks
- 12     Costs of:      Researching into new products and methods  
                      Buying new machinery and equipment  
                      Training staff  
Staff:            Reluctance to change
- Any 2 = 2 marks
- Total 30 marks**

## Section B

- 1 a) i) Chain of command – authority passed downwards or upwards.  
Example: Board of Directors – Managing Director – Production Manager –  
Production Supervisor – 25 Production Workers 3 marks
- ii) Span of control – how many people that report to a supervisor / manager  
Example:  
Quality Control Supervisor has 4 Inspectors – The span of control is 4 3 marks
- b) i) Giving a subordinate authority to perform certain tasks  
Giving responsibility 2 marks
- ii) **Advantages:**  
Managers cannot do every job themselves.  
Managers less likely to make mistakes if they do not try  
to do everything themselves  
Managers can concentrate on the important jobs  
Managers can measure success of staff more easily.  
Any 2 x 1 = 2 marks
- Disadvantages:**  
Managers think subordinates might fail  
Risk that subordinates do better job than manager  
Manager does not retain complete control  
Manager ultimately responsible  
Any 1 = 1 mark
- c) Lack of capital  
Lack of resources eg raw materials, stock  
Lack of staff with necessary skills  
Poor communications network 2 x 1 + 1 = 4 marks
- (Total 15 marks)

- 2 a) i) Total revenue = Total costs 1 + 1 = 2 marks
- ii) 100 1 mark
- iii) Break-even assumes all goods are sold, which may not be the case  
 Break-even assumes all goods sold at the same price  
 Figures could change – there could be a wage increase or rents could go up  
 Break-even not very useful to service industries because charges vary from customer to customer
- 2 + 2 = 4 marks
- b) i) Budgets – financial plans for the future containing numerical or financial targets.  
 Budgetary control could be used to regularly check actual and budgeted figures for revenues and expenses.  
 Variances could be investigated.  
 Spending and costs are controlled  
 Problems can be anticipated in advance
- Up to 3 marks
- ii) Stock control – ensures stock ordered, delivered and handled efficiently  
 Enables customer demand to be effectively met.  
 Involves pre-determined minimum, maximum and re-order levels  
 Enables stock checks  
 Enables use of 'old' stock first – avoids deterioration  
 Ensures enough stock to meet demand  
 Prevents over-stocking – leading to deterioration
- Up to 3 marks
- c) A gap in the range of products or services offered within a market
- 2 marks

(Total 15 marks)

- 3 a) Flow Chart:  
Job Description  
Person (or Job) Specification  
Advertising vacancy  
Letters of application/CVs  
Short listing  
Interview

Any 4 in correct order = 4 marks

- b) Small businesses producing specialist goods can sell them anywhere in the world  
Costs can be reduced because no need for sales brochures.  
Sales staff no longer needed as information in online.  
24/7

2 x 1 + 1 = 4 marks

- c) Credit card  
Debit card

2 marks

(Total 10 marks)

**Total 40 marks**

## 4 General Guidance

### 4.1 Guidance for Tutors

#### Level 1

##### Syllabus

- Ensure candidates have access to a copy of the syllabus.
- Allow time throughout the course for full coverage of the syllabus.
- In your teaching, use real-life organisations to illustrate theory.
- If possible, arrange outside business visits to help candidates to understand up-to-date business applications.
- Give candidates ample practice in the skill of applying their knowledge by practising individual questions from past examination papers and textbooks and give diagnostic feedback.
- Spend time helping candidates to develop a better understanding of business terms.
- Give candidates plenty of opportunities to practise practical tasks, especially those requiring calculation.
- Use the sample examination in this guide to give candidates practice at completing an examination under timed conditions. Use the marking scheme provided to correct their papers.
- The City and Guilds' learner portal, [www.smartscreen.co.uk](http://www.smartscreen.co.uk) contains information about career planning, writing CVs and job applications that candidates should find helpful.

##### Examination

- Impress upon candidates the need to spend their 5 minutes reading time effectively, stressing they should carefully read the questions and try to understand exactly what is being asked and how marks are allocated.
- Advise candidates that when answering Section B structured questions, they must relate their answers to any given scenario/data.
- Encourage candidates to show all their workings when answering questions that involve calculation.
- Impress upon candidates the need to thoroughly check their answers before the end of the examination and to neatly cross through anything they do not want to be marked.
- Ensure candidates clearly label with their name any additional separate sheets of paper.

##### Tips

- Set candidates past question papers under timed conditions.
- Use up-to-date examples of business in your teaching.
- Use the Internet to check on current business activities in your own domestic economy.
- Be aware of any changes in business and information technology.
- Remember, technology is always changing. Keep up-to-date by searching the Internet and looking through newspaper and magazine articles for information about technology and the way it affects business.

## Level 2

### Syllabus

- Ensure candidates have access to a copy of the syllabus.
- Allow time throughout the course for full coverage of the syllabus.
- Allocate extra teaching time to business accounting to ensure candidates' full understanding.
- Ensure candidates have thorough knowledge of the elementary principles of industrial psychology and understand motivation theorists such as Hertzberg and McGregor.
- Encourage candidates to use the Internet and read business journals and the business sections of newspapers.
- Use the Internet to keep up-to-date with modern business in your domestic and the international environment.
- Use up-to-date examples of 'real business' to illustrate theoretical concepts.
- Give candidates plenty of practice in the skill of applying their knowledge by practising on past examination papers.
- Use the sample examination paper in this guide to give candidates practice at completing an examination under timed conditions. Use the marking scheme provided to correct their papers.
- Try to arrange outside business visits to help candidates apply up-to-date business applications to their answers.

### Examination

- Impress upon candidates the need to spend their 5 minutes reading time effectively, stressing they should carefully read the questions and try to understand exactly what is being asked and how marks are allocated.
- Advise candidates that when answering Section B structured questions, they must relate their answers to any given scenario/data.
- Advise candidates to carefully read the instructions to each question before they start their answers. Suggest they refer back to the question before moving on to ensure they have answered all the parts of it.
- Advise candidates to highlight key words eg 'explain', 'discuss' which indicate longer answers are required.
- Be sure candidates know they must, where applicable, show their workings when answering questions requiring calculations.
- Advise candidates not to be tempted to write at length where the allocated marks indicate a detailed answer is not required.
- Impress upon candidates the need to thoroughly check their answers before the end of the examination and to neatly cross through anything they do not want to be marked.
- Ensure candidates clearly label with their name any additional separate sheets of paper.

### Tips

- Give candidates opportunities to apply their knowledge to different situations.
- Provide candidates with plenty of feedback when returning marked work.
- Use up-to-date examples of business in your teaching.
- Provide plenty of practice in the areas that cause confusion.
- Be aware of any changes in business and information technology.

## Performance codes

It is a feature of City & Guilds examinations that weakness reports are provided for candidates who are unsuccessful in their examinations. Performance code should assist them in developing the principal area or areas of skill or knowledge where remedial work is needed. The areas covered will be found on the candidate's results slip, and are categorised as follows:

### Level 1

Code	Description
A	Failed Narrowly
B	Principles of business
C	Organisation of business
D	Business activity
E	People in business
F	Influences and controls on business
L	<b>Insufficient work submitted</b>

### Level 2

Code	Description
A	Failed Narrowly
E	People in business
G	Business environment
H	Structure and organisation of business
J	Decision making, planning and control
K	External and internal influences
L	<b>Insufficient work submitted</b>



## 4 General Guidance

### 4.2 Guidance for Candidates

City and Guilds want candidates to achieve better results and the aim of this Guide is to provide the base for good practice and a clearer understanding of exactly what should be included in examination answers. It is hoped the following advice will help candidates to succeed.

#### Level 1

##### Syllabus

- Ensure you have access to a copy of the syllabus and check the progress of your learning against its content.
- As you work through the theory, test yourself with the activities and questions in your textbook.
- Make sure you fully understand all areas of the syllabus.
- Understand and memorise key business terms such as needs and wants, demand and supply, goods and services as you will more than likely be tested on them.
- Thoroughly learn the reasons for growth and know the difference between internal expansion, horizontal, vertical and lateral integration.
- Learn the factors that influence the location of business and develop your ability to select and apply those which are relevant to the different types of businesses.
- Learn the main internal and external economies of scale so that you are able to distinguish between them.

##### Practice

- Allow plenty of time for revision and revise thoroughly. Do not be tempted to leave revision until just before the examination.
- Check your revision plan against the syllabus to ensure you have not missed any areas as all of them are examined.
- Make sure you include in your revision plan plenty of practice of calculating prices from given information.
- Work through as many questions from past papers as possible. As you do so, practise planning your answers to the questions. Check that you have correctly read them and answered the questions properly.
- As technology is always changing, keep up-to-date by looking through newspapers for articles about technology and the way it affects business.
- Keep up-to-date with the sources of financing loans and overdrafts by obtaining information from the Internet and the business sections of newspapers and magazines.
- Prepare thoroughly by working through as many past papers as possible, including the sample in this guide.

## During the examination

- Carefully check the instructions on the examination paper. In Business Studies there is no choice and you have to answer every question.
- Use the 5 minutes reading time to look at the questions and their allocated marks. Do not make any notes.
- Read the instructions for each question carefully.
- Note the number of marks allocated to questions - this will help you to decide how much time to spend on a question. Too often, candidates write far too much. For example, if a question asks you to list three advantages and three marks are allocated to the question, this indicates that one mark is allocated for each advantage.
- Study the key words. “State” means no explanation is needed. “List” is similar to “state”. Write down your list without explaining. “Explain” requires a more detailed answer with reasons or examples.
- Show your workings when answering questions requiring calculations.
- Allow time before the end of the examination to carefully check your work and neatly cross through anything you do not want marked.
- If you use extra separate sheets of paper, write your name clearly on each sheet.

## Tips

- Revise all sections of the syllabus.
- Marks give clues to the length of answers.
- Remember what the key words mean.
- Think before you answer.
- Know the names of well-known pressure groups.
- Know the difference between on-the-job and off-the-job training.
- Technology is always changing – keep up-to-date.
- Show your workings in answers requiring calculations.
- Re-read questions to be sure you answer them correctly.
- Leave time to check answers.

## Why candidates fail

- Candidates should be aware that there is a greater need to think about information in examinations and in dealing with it in appropriate ways as they progress through Levels. Practice during a course of study is excellent preparation and provides familiarisation with the various topics which could arise in the exam. It follows that candidates who fail to practice during their course of study are those most likely to fail.
- Simply attending a course of study without further practice at home is not recommended for obvious reasons and candidates should expect to commit twice as much study time at home compared to the tuition received in the classroom.
- Candidates fail because they have insufficient practice in the appropriate types of questions; candidates with the appropriate skills and with adequate practice are able to perform well.

## Level 2

### Syllabus

- Ensure you have access to a copy of the syllabus and check the progress of your learning against its content.
- Make sure you fully understand all areas of the syllabus and the required business terminology.
- Learn the main business objectives and how to select and apply them to different business types and situations.
- Be sure you fully understand the techniques that can be used by management to plan and control functions and departments.
- Check you fully understand the purpose and use of breakeven charts.
- Spend extra time on thoroughly learning the principles of industrial psychology and motivation theorists such as Herzberg and McGregor.
- Have a clear understanding of how external and internal influences can impact upon the quality of the environment.
- Ensure you fully understand what is meant by 'social costs'.
- Be quite clear about the purpose and content of job descriptions and person (job) specifications.
- Use the business pages of newspapers, business magazines and the Internet to keep up-to-date with technology on the development of business.
- City and Guilds' learner portal, [www.smartscreen.co.uk](http://www.smartscreen.co.uk), contains some excellent information about career planning, writing CV's and job applications.

### Practice

- Organise a sensible revision plan over the duration of the course. Do not be tempted to leave revision until just before the examination.
- Check your revision plan against the syllabus to ensure you have not missed any areas as all of them are examined.
- Try to visit a company with a departmental structure so that you gain more insight into the work carried out.
- Get plenty of practice of analysing given financial data, including comparative figures and breakeven charts.
- Practise planning and structuring answers to questions in textbooks and past examination papers, checking you have actually answered the questions and expanded the answers where appropriate.
- Prepare thoroughly by working through as many past papers as possible, including the sample in this guide.
- Use the Internet to keep up-to-date with innovation within the business world and your domestic economy.

## During the examination

- Carefully check the instructions on the examination paper. In Business Studies there is no choice and you have to answer every question.
- Read questions carefully during the 5 minutes reading time and try to fully understand what the examiner is asking.
- Read the instructions for each question carefully to be sure you have read the stem and parts of the question properly.
- Take note of the number of marks allocated to questions – this will help you to decide how much time to spend on them. Do not waste time expanding your answer if the marks indicate this is not required. For example, if you are asked to state three factors that determine the location of business and three marks are allocated to the question, this indicates that one mark is allocated to each factor.
- Look out for the key words of questions. “State” and “List” are similar and neither require explanations. However, key words such as “describe” and “explain” indicate that an answer should be developed and expanded.
- Allocate your time sensibly. Do not spend too long on some questions and too little on others. Be guided by the marks allocated to the question.
- When answering questions in Section B, relate your answers to the scenario/data and be sure you fully understand the requirements of questions before attempting to answer them.
- When developing and expanding answers, do not reiterate the data provided in the question.
- Use the language of business and business terms in your answers and try to illustrate them with current examples.
- Leave time before the end of the examination to carefully check through your work. Neatly cross through anything you do not want marked.
- If you use extra separate sheets of paper, write your name clearly on each sheet.

## Tips

- Remember a job description is about the job whereas a person specification is about the person.
- A budget is a financial tool used in business to help planning.
- Gross profit is not the final profit as there are still other costs to be deducted.
- Make sure you can work out percentages.
- Remember that product life cycle means the stages which a product passes through and not how long the product lasts.
- Key words and marks give clues.
- Develop your answers and give up-to-date examples.
- Look through newspapers for articles about technology and the way it affects business.
- Remember what the key words mean.
- Always ask your Tutor about anything you do not understand.

## Why candidates fail

- Candidates should be aware that there is a greater need to think about information in examinations and in dealing with it in appropriate ways as they progress through Levels. Practice during a course of study is excellent preparation and provides familiarisation with the various topics which could arise in the exam. It follows that candidates who fail to practice during their course of study are those most likely to fail.
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