

## Scheme of Work

Cambridge IGCSE™ / Cambridge IGCSE™ (9–1)  
Business Studies 0450 / 0986

Cambridge O Level  
Business Studies 7115

For examination from 2020



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## Introduction

This scheme of work has been designed to support you in your teaching and lesson planning. Making full use of this scheme of work will help you to improve both your teaching and your learners' potential. It is important to have a scheme of work in place in order for you to guarantee that the syllabus is covered fully. You can choose what approach to take and you know the nature of your institution and the levels of ability of your learners. What follows is just one possible approach you could take and you should always check the syllabus for the content of your course.

Suggestions for independent study (**I**) and formative assessment (**F**) are also included. Opportunities for differentiation are indicated as **Extension activities**; there is the potential for differentiation by resource, grouping, expected level of outcome, and degree of support by teacher, throughout the scheme of work. Timings for activities and feedback are left to the judgment of the teacher, according to the level of the learners and size of the class. Length of time allocated to a task is another possible area for differentiation.

## Guided learning hours

Guided learning hours give an indication of the amount of contact time you need to have with your learners to deliver a course. Our syllabuses are designed around 130 hours for Cambridge IGCSE and O Level courses. The number of hours may vary depending on local practice and your learners' previous experience of the subject. The table below give some guidance about how many hours we recommend you spend on each topic area.

Topic	Suggested teaching time (hours / % of the course)	Suggested teaching order
1. Understanding business activity	It is recommended that this unit should take about 20 hours (15% of the course).	The units may be taught in the order indicated opposite, although it would be useful to be aware of the links between different parts of the course.
2. People in business	It is recommended that this unit should take about 22 hours (17.5% of the course).	
3. Marketing	It is recommended that this unit should take about 26 hours (20% of the course).	The units, however, do not have to be taught in this order. The teaching order might also be influenced by certain events or issues that were receiving a lot of publicity and which could help learners to understand the relevance of particular parts of the course. There might also be various cross-curricular initiatives in certain centres at particular times, such as Charity or Enterprise week, and in such cases it would be appropriate to adjust the teaching order to take account of such initiatives.
4. Operations Management	It is recommended that this unit should take about 20 hours (15% of the course).	
5. Financial information and decisions	It is recommended that this unit should take about 22 hours (17.5% of the course).	
6. External influences on business activity	It is recommended that this unit should take about 20 hours (15% of the course).	

## Resources

Past papers, the Coursework Handbook and Example Candidate Responses for syllabus 0450 are relevant and applicable to syllabus 0986 and 7115, so we suggest you visit the webpage for 0450 on our School Support Hub for further teaching materials.

The up-to-date resource list for this syllabus, including textbooks endorsed by Cambridge International, is listed at [www.cambridgeinternational.org](http://www.cambridgeinternational.org). Endorsed textbooks have been written to be closely aligned to the syllabus they support, and have been through a detailed quality assurance process. As such, all textbooks endorsed by Cambridge International for this syllabus are the ideal resource to be used alongside this scheme of work as they cover each learning objective.

## School Support Hub

The School Support Hub [www.cambridgeinternational.org/support](http://www.cambridgeinternational.org/support) is a secure online resource bank and community forum for Cambridge teachers, where you can download specimen and past question papers, mark schemes and other resources. We also offer online and face-to-face training; details of forthcoming training opportunities are posted online. This scheme of work is available as PDF and an editable version in Microsoft Word format; both are available on the School Support Hub at [www.cambridgeinternational.org/support](http://www.cambridgeinternational.org/support). If you are unable to use Microsoft Word you can download Open Office free of charge from [www.openoffice.org](http://www.openoffice.org).

## Websites

This scheme of work includes website links providing direct access to internet resources. Cambridge Assessment International Education is not responsible for the accuracy or content of information contained in these sites. The inclusion of a link to an external website should not be understood to be an endorsement of that website or the site's owners (or their products/services).

The website pages referenced in this scheme of work were selected when the scheme of work was produced. Other aspects of the sites were not checked and only the particular resources are recommended.

## How to get the most out of this scheme of work – integrating syllabus content, skills and teaching strategies

We have written this scheme of work for the Cambridge IGCSE Business Studies 0450 syllabus and it provides some ideas and suggestions of how to cover the content of the syllabus. We have designed the following features to help guide you through your course.

**Learning objectives** help your learners by making it clear the knowledge they are trying to build. Pass these on to your learners by expressing them as ‘We are learning to / about...’.

**Suggested teaching activities** give you lots of ideas about how you can present learners with new information without teacher talk or videos. Try more active methods which get your learners motivated and practising new skills.

Syllabus ref.	Learning objectives	Suggested teaching activities
1.3 Enterprise, business growth and size	Describe characteristics of successful entrepreneurs.	In groups learners are given a scenario for a possible business that they could operate from school such as a stationery shop or cake stall. The groups either use the simple business plan as a model for their own plans, or they are given a blank business plan template to fill in, with some prompt questions to guide them. Explain that there is no need to produce full, detailed sections on marketing, HR, finance, etc. <b>(F)</b>
	Identify methods that Governments might use to help business start-ups and explain why they help such businesses conflict.	In groups learners have 5 minutes to discuss possible ways that governments might help business start-ups and record ideas on a large sheet of paper. Each group then moves round to the next group to add any ideas that they had not thought of and continue until they are back to their original place.  Hold a class discussion on reasons why governments might want to help such businesses. Learners write brief notes answering what, how and why questions about the main methods.  <b>Extension activity:</b> Learners explore what methods are available to businesses in your country and present their findings as a poster, report or presentation to the whole class. <b>(I)</b>

**Extension activities** provide your abler learners with further challenge beyond the basic content of the course. Innovation and independent learning are the basis of these activities.

**Formative assessment (F)** is on-going assessment which informs you about the progress of your learners. Don't forget to leave time to review what your learners have learnt, you could try question and answer, tests, quizzes, ‘mind maps’, or ‘concept maps’. These kinds of activities can be found in the scheme of work.

**Independent study (I)** gives your learners the opportunity to develop their own ideas and understanding with direct input from you.

### Past and specimen papers

Mar 15 Paper 22 Q1(a) Paper 12 Q1(e), Q4(e)  
Q1(a), Paper 23 Q1(a)  
Q1, Paper 22 Q1

**Past papers, specimen papers and mark schemes** are available for you to download at:  
[www.cambridgeinternational.org/support](http://www.cambridgeinternational.org/support)

Using these resources with your learners allows you to check their progress and give them confidence and understanding.

## 1. Understanding business activity

Syllabus ref.	Learning objectives	Suggested teaching activities
1.1 Business activity	Demonstrate an understanding of the purpose and nature of business activity.	<p>Start with the question 'What makes a successful business'. Learners write down words or ideas on small squares of paper. In pairs, learners share ideas with each other before joining with another pair. Working as a group, learners classify similar words together and explore patterns between the words that may identify different elements of each term. Lead a class discussion to draw out the key features of the course.</p> <p>Learners write down five or six products or services that they want or need. Discuss the difference between a 'want' and 'need' and classify the items into the two groups. Describe how business activity aims to meet these unlimited needs and wants from limited resources.</p> <p>Use a diagram - for example how clothes production has changed over time - to introduce the idea of specialisation.</p> <p>Define 'opportunity cost', 'specialisation' and added value'. Learners create a glossary of key words and definitions. Learners should add all key terms to the glossary throughout the course.</p> <p>Show the learners a diagram of the production process for a product. As a class, discuss the complete process from source to finished product in making orange juice (from farm to customers' glasses) bringing out the concepts of cost, price, profit and how value can be added at each stage.</p> <p>Learners produce a diagram to show the stages of production involved in making a different item – e.g. a table - and how value can be added at each stage. Alternatively provide a worksheet with the images in the wrong order to place in order and match to a correct description. <b>(F)</b></p> <p>Use a diagram to explain the concept of added value. Explain how added value is the difference between the selling price and the cost of all materials bought to make the product. Learners complete a worksheet, which guides them to investigate why added value is important and how a business could increase its added value. <b>(F)</b></p> <p>Link to 1.2 business activity in terms of primary, secondary and tertiary sectors.</p>
1.2 Classification of business	Understand the basis of business classification.	<p>Use the example from 1.1 to show the different types of businesses involved in production. Define 'primary sector' secondary sector and tertiary sector. Learners are given an activity to match the examples of business activity by sector.</p> <p>Learners work in groups. Provide learners with key facts and figures about the different business sectors for range of</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
	<p>Give reasons for the changing importance of business classification.</p> <p>Classify business enterprises between private sector and public sector in a mixed economy.</p>	<p>countries, one of which should be your own to illustrate the relative importance of the primary, secondary or tertiary sectors. Learners draw and label graphs for their country. Use current data such as: <a href="http://www.cia.gov/library/publications/the-world-factbook/">www.cia.gov/library/publications/the-world-factbook/</a></p> <p>Learners consider what the graph shows and possible reasons for this. Present findings to the class. Learners record main findings during presentations on a note-taking grid to understand differences and importance of business classification.</p> <p>Give learners a simple explanation of the main differences between the public and private sector. As a class, read and discuss two short extracts about organisations in the private sector and public sector. Focus on the key features of each sector.</p> <p>Use a quiz based on examples from your own country to identify which sector each organisation can be classified in. Learners hold up cards to classify examples into the correct sector. <b>(F)</b></p> <p>Link to 1.5 - business objectives.</p>
1.3 Enterprise, business growth and size	<p>Describe characteristics of successful entrepreneurs.</p> <p>Learners should be able to identify and explain what is included in a business plan and be able to explain how business plans can assist entrepreneurs.</p> <p>Identify methods that Governments might use to help business start-ups and explain why they help such</p>	<p>Ask a local entrepreneur (where possible) to speak to the class about setting up their business or show a video clip of a successful entrepreneur from your country. Learners discuss the characteristics the person has and issues they might have had to deal with in setting up the business.</p> <p>Learners explore other qualities that entrepreneurs have by researching the career of a successful entrepreneur from own country and compare that with the career of a successful entrepreneur from another country, e.g. Cheung Yan (also known as Zhang Yan), head of the Nine Dragons paper recycling and packaging firm and James Dyson, industrial designer and inventor of the bag-less vacuum cleaner. <b>(I)</b></p> <p><b>Extension activity:</b> Ask learners to consider what the essential qualities of a successful entrepreneur are. Learners could give a presentation on their findings to the whole class. <b>(I)</b></p> <p>Give learners a simple explanation of a business plan. Show a video clip, for example: <a href="https://www.youtube.com/watch?v=Fqch5OrUPvA">https://www.youtube.com/watch?v=Fqch5OrUPvA</a></p> <p>Learners summarise the main points about what a business plan is and why it is important.</p> <p>Give learners a copy of a simple business plan for a start-up business. Learners identify the main parts and discuss why</p>



Syllabus ref.	Learning objectives	Suggested teaching activities
	businesses.	<p>the information is necessary.</p> <p>In groups learners are given a scenario for a possible business that they could operate from school such as a stationery shop or cake stall. The groups either use the simple business plan as a model for their own plans, or they are given a blank business plan template to fill in, with some prompt questions to guide them. Explain that there is no need to produce full, detailed sections on marketing, HR, finance, etc. <b>(F)</b></p> <p>In groups learners have 5 minutes to discuss possible ways that governments might help business start-ups and record ideas on a large sheet of paper. Each group then moves round to the next group to add any ideas that they had not thought of and continue until they are back to their original place.</p> <p>Hold a class discussion on reasons why governments might want to help such businesses. Learners write brief notes answering what, how and why questions about the main methods.</p> <p><b>Extension activity:</b> Learners explore what methods are available to businesses in your country and present their findings as a poster, report or presentation to the whole class. <b>(I)</b></p>
1.3	Apply knowledge and understanding of the methods and problems of measuring the size of business.	<p>Learners list possible ways to measure the size of a business. Explain that profit is not a reliable measure of size.</p> <p>Provide some data for either turnover, labour, capital employed or outlets for four or five businesses in the same sector. Learners classify the 3 businesses based on its size (largest to smallest). Each group record their rankings on a sheet of paper. Each group then moves round to the next table to rank the same businesses on the next set of data. Finish with a whole class discussion of the results and problems of measuring size.</p>
1.3	Learners should be able to explain reasons why some businesses grow and others remain small.	<p>Learners work in pairs to mind map possible reasons why a business might want to expand. Follow this with a whole class discussion.</p> <p>Explain the different ways a business can grow – internal (organic) and external methods including horizontal, vertical forward and backwards integration and conglomerate integration. Provide learners with sort cards to match the terms to the definitions, which can then be added to the key word glossary.</p> <p>Divide learners into five groups. Each group research and note the main features of the main type of growth. They should also try to include local or national examples of businesses that have used each method. When completed, each group give a short presentation to the class so everyone has the same information. Other learners could ask questions to</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
		<p>check understanding. <b>(F)</b></p> <p>Learners given several activities to complete using worksheets and case studies to identify and explain the form of business growth used by different businesses.</p> <p>Provide learners with access to the internet or newspaper articles to explore the way that a range of actual businesses has grown. Examples might include McDonalds, Ellen Fisher, Facebook, Tata Industries. Working in groups, learners research the reasons why some businesses have grown and others remained small. Learners complete a worksheet to check understanding. For example <a href="http://www.tutor2u.net/business/worksheets/Business-Growth-Basics.pdf">www.tutor2u.net/business/worksheets/Business-Growth-Basics.pdf</a>. When complete, learners add key terms to their glossary.</p> <p>Learners research benefits and risks of growth. Half class find out about possible benefits, and the other half possible risks. Learners pair up with someone who researched the opposite set of points to explain to each other what they discovered.</p> <p>Learners complete an activity to identify the type and possible reasons for the takeover.</p> <p>Learners research and note take possible reasons why some businesses remain small. <b>(I)</b> Link this to the objectives of the business and the type of business. Learners are provided with a scenario – for example a law firm has been asked to join together with another business; one partner wants to accept the offer – to decide whether the business should expand or remain small. It may be necessary to provide some learners a list of questions to answer when making a decision. <b>(F)</b></p> <p>Learners complete a simple case study about the problems of growth. Learners, individually, are given time to read the case study and identify potential problem(s). In pairs, learners share results and then pair up with another group and share their results and update notes as necessary and suggest how they might solve the problem identified. <b>(F)</b></p>
1.3	Learners should be able to explain why some (new or established) businesses fail.	<p>Use data on business failure to introduce the topic. Learners work in groups to list possible reasons for business failure. Each group in turn identify one reason. Record answers on the board and then discuss results as a group.</p> <p>Learners work in groups. Provide each group with a short case study based on an actual business. They have 10 minutes to discuss the reasons for business failure and record ideas on a large sheet of paper. Each group then moves round to the next group to add any ideas that they had not thought of and continue until they are back to their original place. Class discussion to confirm.</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
		<p><b>Extension activity:</b> Learners work in groups and asked to discover examples of business failure in their own country. <b>(I)</b></p>
1.4 Types of business organisation	<p>Explain the main features of different forms of business organisation.</p> <p>Recommend and justify a suitable form of business organisation for a given situation.</p>	<p>Presentation on the main features of each form of business organisation. It is important to include concepts of risk, ownership and limited liability. Learners complete an activity to match relevant features to different types of organisation.</p> <p>Divide learners into 4 groups – one to represent each main form - sole trader, partnership, private limited company and public limited company. Each group prepare a table or mind map of the advantages and disadvantages of their given structure. Remix the groups so each group has a learner who researched each form. Each member explains main features of each form to other group members. Use a quiz or card sorting activity to check understanding.</p> <p>Provide a scenario about a business start-up and learners work in small groups to complete a decision making activity - to decide on a suitable form of business organisation. Each group is given cards identifying each option - for example sole trader, partnership - to arrange in order of possibility. Learners compare ranking with others groups as a starting point for a class discussion of the issue. Repeat activity with different scenarios for example business looking to grow, business operating in many countries. Learners write a 1-minute summary after each round. <b>(F)</b></p> <p>Explain the difference between a franchise, franchisee and franchisor. Learners to match the terms to definitions written on cards. Learners complete a worksheet based on main advantages and disadvantages of franchises for franchisees and franchisors. All points are in the wrong order and learners sort them into the correct section.</p> <p>Briefly outline other forms of business organisation including joint ventures, multinationals and social enterprises. Set key questions for learners to respond to as a check of understanding. <b>(F)</b></p> <p><b>Extension activity:</b> Ask learners to investigate the various types of business in the local area. As a group or class, learners could comment on the suitability of that form for each business.</p> <p>Use 'Is it true that' statements to check understanding.</p> <p>Link 3.4 Joint ventures and 6.3.2 Multinational companies.</p>
1.5 Business objectives	Identify the need for business objectives, explain the different objectives that businesses might	<p>Learners work in groups to make two different lists – one of personal objectives and one of possible business objectives. Each group shares ideas with the class. Use this as the basis for a discussion on the benefits of setting aims/objectives.</p> <p>Learners use this information to identify examples of each type of objective. Learners complete a matching activity using</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
	<p>have as well as explain the importance of them.</p> <p>Identify the objectives of social enterprises.</p> <p>Demonstrate an awareness of the aims and objectives of enterprises in both private and public sectors.</p>	<p>sort cards to match examples of business objectives to correct business.</p> <p>As a class, discuss why different businesses might have different objectives. Explain how a business will set different types of objectives and these can change over time. Provide learners with a case study of a successful business, ideally from your own country, which has grown over a number of years. Discuss objectives the business might currently have. Then place learners into groups to consider different objectives that this business might have set at different stages from start-up through development to now. Use questions such as <i>How</i> or <i>Why</i> to encourage learners to develop ideas and explore further ideas as to reasons for changing objectives.</p> <p>Learners in pairs complete an activity in which they have to identify the likely objectives for a range of different businesses in a given situation. <b>(F)</b></p> <p>Show a short video clip about social enterprise for example <a href="http://www.socialenterprise.org.uk/about/about-social-enterprise">www.socialenterprise.org.uk/about/about-social-enterprise</a>. Learners discuss the difference between various other organisations.</p> <p>As a class, read and discuss case studies of two social enterprises, if possible, at least one should be from your country. Focus on the aims of these social enterprises. Learners produce a list of the differences between the aims of these organisations and the other business types studied so far. Present work as short written summary. <b>(F)</b></p> <p>Learners are given a specific business to work on – give half the groups public sector businesses e.g. a school or hospital and the other half different private sector businesses including examples from your own country. Each group to draw up a table with at least one possible objective for their given business. As a class discuss the results.</p>
1.5 stakeholder objectives	<p>Identify the main stakeholders, and their different objectives.</p> <p>Explain reasons why their objectives might conflict.</p>	<p>Define ‘internal’ and ‘external’ stakeholders, and discuss reasons why they are important to a business.</p> <p>Use a case study example to identify potential stakeholders. Learners working in groups research a different stakeholder group to identify the role, rights and responsibilities of its stakeholder group. Present findings to the class. As a class discuss how objectives of different stakeholders can clash.</p> <p>Learners produce a spider diagram of local, national and international businesses they are stakeholders of themselves, such as a customer, part-time employee, local community. <b>(I)</b></p> <p>Provide learners with case study example of a major business development, such as a large construction project. If no suitable local examples exist, use as an example a major energy company planning to develop a new power factory on natural land 5 km from your nearest town centre. Place learners into groups and ask them to suggest which stakeholder</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
		<p>groups will be affected by this development, such as: owners/shareholders, employees, customers, suppliers, government, local community. Encourage groups to also consider ethical and environmental effects (this is covered more in unit 6). <b>(F)</b></p> <p>Each group research one stakeholder's views listing possible advantages and disadvantages to them of the project going ahead. Each group present their arguments to the class. Based on the points presented, learners make a decision and justify their views. Introduce learners to a decision-making technique. For example the ideas funnel. Place all ideas at the top half of the whiteboard. Sort the ideas in order of importance for the problem. As a class prioritise two or three ideas that are most relevant at the bottom of the board. (The resulting effect looks like a funnel). Each learner then decides which idea (in this case stakeholder) is most affected. Learners write a short summary explaining their final decision.</p> <p>Learners summarise the entire topic on paper with a single word. Then write a paragraph to explain the chosen word.</p> <p>Link to 6.2.1 – ethical and environmental.</p> <p><b>Extension activity:</b> Learners could also research other examples of how business decisions affect stakeholder locally or nationally. <b>(I)</b></p>

### Past and specimen papers

Past/specimen papers and mark schemes can be downloaded from the Cambridge IGCSE 0450 syllabus page at [www.cambridgeinternational.org/support](http://www.cambridgeinternational.org/support) **(F)**

Mar 15 Paper 22 Q1(a), Paper 12 Q1(e), Q4(e)  
 Jun 15 Paper 11 Q3(d), Paper 21 Q1(b), Paper 22 Q1(a), Paper 23 Q1(a)  
 Nov 15 Paper 12 Q4(d), Paper 13 Q4(b)  
 Mar 16 Paper 22 Q1(a), Paper 12 Q3(a)  
 Jun 16 Paper 21 Q1(b), Paper 13 Q4(e), Paper 21 Q1, Paper 22 Q1  
 Nov 16 Paper 12 Q1(a), Paper 13 Q4(a), Paper 23 Q1(a)  
 Mar 17 Paper 12 Q1(a), Q3(a), Q4(c), Paper 22 Q2(b)  
 Jun 17 Paper 13 Q1(d), Paper 22 Q2(b)  
 Nov 17 Paper 21 Q1(a), Paper 23 Q2(b)  
 Specimen paper 1 Q1(a) & (e), Q2(c), Q3(a) & (c)  
 Specimen paper 2 Q1(a)

## 2. People in business

Syllabus ref.	Learning	Suggested teaching activities
2.1 Motivating employees	<p>Understand the importance of a well-motivated workforce.</p> <p>Recommend and justify appropriate method(s) of motivation in given situation.</p>	<p>Create a dedicated space for an ideas board where learners can write and record their ideas on the issue being discussed. Learners can be asked to contribute to the board at different times using KWL approach – what they think they Know, what they Want to know and what they have Learned. Learners should be free to add points throughout the topic and the board can be used at the end to help summarise and conclude.</p> <p>Start by asking learners what they know about motivation. Learners write down two things that might motivate them to work harder at school. Share ideas with the class. Explain that different things will motivate people. In groups learners, create a word cloud about the meaning of motivation.</p> <p><b>Extension activity:</b> Ask learners to construct a questionnaire of learners, parents, teachers and others to identify which needs are important to different people which they could present in a chart or report. <b>(I)</b></p> <p>Presentation on the main motivational theories – Maslow, Taylor and Herzberg. This should focus on an outline of each theory, an example of how the theory can be used, an advantage and disadvantage of each theory. To reinforce the ideas learners complete a number of simple activities. These could include learners having to complete a blank example of Maslow’s pyramid using information provided and a sorting activity involving Herzberg’s hygiene and motivators. To reinforce the ideas, and build on this learners are provided with number of statements about motivation to match to the relevant theory. Use a crossword or quiz to check understanding. <b>(F)</b></p> <p>Divide the class into three groups, one for each theory. Introduce a simple example of motivation (not a case study). Each group discusses how each theory might be applied. Present findings to the class.</p> <p>As a class discuss possible ways that a business might try to motivate its workers. Show a clip, for example: Innocent <a href="http://www.youtube.com/watch?v=ba_HpyoA8wc">www.youtube.com/watch?v=ba_HpyoA8wc</a> or <a href="https://www.youtube.com/watch?v=TPz1Mou-Xxk">https://www.youtube.com/watch?v=TPz1Mou-Xxk</a></p> <p>Record ideas on the board. Add other methods as necessary.</p> <p>Learners work in pairs to research and note take on a different method of financial and non-financial incentives used to motivate workers identifying an at least one advantage, disadvantage and a situation when it could be used. <b>(F)</b> Each pair records the information in a table, which is then shared with the class.</p> <p>Talk through a simple scenario such as teacher in a school. As a class discuss the possible ways for motivating them, including the advantages and disadvantages of different methods. Learners write a 1 minute summary explaining which</p>

Syllabus ref.	Learning	Suggested teaching activities
		<p>option they would use.</p> <p>Provide two or three scenarios - for example: A worker in a clothing factory, a farm labourer and car salesperson. For each scenario learners, in groups, discuss and decide on two or three possible methods of motivation for each situation. As a class discuss and decide on a final choice.</p>
2.2 Organisation and management	<p>Draw, interpret and explain simple organisational charts and understand the roles, responsibilities and relationships between people in organisations.</p>	<p>Learners in pairs mind map to identify the different business functions including marketing, finance, operations and human resources and share ideas with class.</p> <p>Show image of an organisation chart of a large business to introduce the terms 'organisational chart', 'span of control', 'chain of command', 'tall' and 'flat organisational structures', and 'delaying'. Learners identify key features of the diagram, such as the levels of management and the different roles shown. Explain how a business can be organised by area as well as by function. Learners complete a matching activity using sort cards to match the key terms to their definitions. Learners add words to glossary.</p> <p>Learners, in groups, draw and label an organisational chart for your school/college.</p> <p>Use a scenario such as a sole trader setting up a small stall at a market growing to become a large shop, to explain how an organisation chart can change as a business grows.</p> <p>Learners, in pairs, are given information describing how a different business is organised to produce an organisation chart based on the information given. <b>(F)</b></p> <p><b>Extension activity:</b> Challenge learners to find out examples of businesses that are organised by function, area or product. <b>(I)</b></p>
2.2	<p>Explain the functions of management.</p> <p>Understand the importance of delegation and the difference between trust versus control.</p>	<p>Invite a school or business manager to give a talk about what their job involves, if possible. If not, ask learners to list what a manager does. This could lead to a discussion on the role of management including concepts such as delegation and the difference between trust and control.</p> <p>Introduce the term 'delegation' by selecting one or two learners to help with a simple role-play situation involving delegation, or show a short video clip for example: <a href="http://www.youtube.com/watch?v=6wMe1NeNgkc">www.youtube.com/watch?v=6wMe1NeNgkc</a></p> <p>Learners research the advantages and disadvantages of delegation. Each group can share its ideas with another group.</p>

Syllabus ref.	Learning	Suggested teaching activities
	<p>Learners should be able to identify and explain the features of the main leadership styles and be able to recommend an appropriate leadership style in a given situation.</p>	<p>Learners, in groups, complete a decision making activity to identify which task a manager should delegate, if any and consider the possible implications of delegating each task on the business, employees and the manager. A sample scenario could be a shop manager has three employees and a number of tasks to do, such as deal with a customer complaint, place a major order, decide on a new supervisor, as well as attend an important meeting. Class discussion to confirm. Learners add key words to their glossary.</p> <p>Ask learners to identify what a manager does. Create a list on the board. As a class, discuss how this may influence business performance. Explain that leadership is important. Learners suggest leadership requirements of an army commander, a teacher and a head of state, and identify key features of different leadership styles.</p> <p>Show learners a video clip about leadership. For example: <a href="http://www.tutor2u.net/blog/index.php/business-studies/comments/leadership-what-qualities-does-an-effective-leader-and-manager-have">www.tutor2u.net/blog/index.php/business-studies/comments/leadership-what-qualities-does-an-effective-leader-and-manager-have</a></p> <p>Use this, as the basis of a class discussion on what features an effective leader should have. Explain the main leadership styles of autocratic, democratic and laissez-faire. To illustrate the different styles, you may want to use video clips, for example: <a href="http://www.youtube.com/watch?v=ymFmBLHn0Ao">www.youtube.com/watch?v=ymFmBLHn0Ao</a> or <a href="https://hbr.org/video/2226821031001/leading-like-a-swan">https://hbr.org/video/2226821031001/leading-like-a-swan</a> or <a href="https://www.tes.com/lessons/qyU8gPDkm_7pug/six-leadership-styles-using-movie-clips-daniel-goleman">https://www.tes.com/lessons/qyU8gPDkm_7pug/six-leadership-styles-using-movie-clips-daniel-goleman</a></p> <p>Learners are then given a worksheet which explains the key features of each leadership style which they need to sort to match the correct term.</p> <p>Learners, in small groups, discuss the way the business is managed, in a given scenario such as a small garage or shop to decide whether they think this is a good way to manage employees in this business. There should be statements from two or three employees showing what they think about the leadership style. Learners exchange ideas with another group.</p> <p>Explain that there are many factors that influence the choice of leadership style such as personality of the manager and employees, number of people and type of job. Learners complete a set of quiz questions to work out what type of leader they are or would like, for example: <a href="http://www.gotoquiz.com/leadership_style">www.gotoquiz.com/leadership_style</a></p> <p>Discuss how results might influence the leadership style used. Learners, in groups, have to identify a suitable leadership style for a given situation. Learners write up as headlines with short notes to explain the reasons for their choice. <b>(F)</b></p>
2.2	<p>Understand what a trade union is and the effects of employees being</p>	<p>Show learners a word cloud based on words related to trade unions to guess what the topic is. Define trade union and as a class consider why trade unions exist.</p> <p>Learners work in groups to research the role of trade unions and the ways that they can help its members. They record</p>



Syllabus ref.	Learning	Suggested teaching activities
	union members.	<p>their ideas on a large sheet of paper. Each group then moves round to the next group to add any ideas that they had not thought of and continue until they are back to their original place. Class discussion to confirm.</p> <p>Use an example, if possible of a local issue or dispute involving trade union. As a class discuss ways in which a trade union could help its members.</p> <p>Learners work in groups to mind map possible solutions and recommend which action to take to help its members in a different scenario. Each group gives a two-minute presentation. Peer evaluation – learners provide an evaluation of each presentation – what went well and anything else that needs to be added in.</p> <p><b>Extension activity:</b> Learners investigate the effects of the decision on other stakeholder groups. <b>(I)</b></p> <p>Link to 2.3.4 This topic could be covered with legal controls.</p>
2.3 Recruiting and selecting employees	Learners should be able to identify and explain the main stages of recruitment and understand the difference between internal and external recruitment.	<p>Learners identify reasons why a business needs workers. Most learners will have some knowledge of recruitment through part-time jobs or other activities. Learners identify the various stages to create a list on the board. Complete the list, if necessary. Learners complete a card sorting activity to include definitions, features, purpose and examples – show as a table. Learners produce a flowchart outlining the stages of the recruitment process.</p> <p>Provide learners with three or four examples of a job description, person specification and job advertisements for a particular job. Learners to identify the main features of each document. <b>(I)</b> Learners write up the similarities and differences between the documents.</p> <p>Learners, work in groups to produce a job advertisement, job description and person specification for a job of their choice. Learners will need to carry out some simple research to make sure these documents do match the requirements of the job selected. Display the job advertisements on a noticeboard. If time is available, divide learners into groups. Half the class prepares to apply for one of the jobs, and the other half prepares interview questions. Job interviews can take place, with learner's role-playing as interviewers and interviewee.</p> <p>In pairs, learners identify different ways that a business can advertise vacancies. List methods on the board. This should include both internal and external methods. Divide class into groups. Half the class research internal methods and the other half external methods. They should include advantages and disadvantages of each method.</p> <p>Learners are provided with a range of different scenarios - a hospital needs to recruit a new doctor, a new supervisor in a clothing factory, a bus driver, or a managing director for a public limited company – to decide the most appropriate method of recruitment to use for each one. Ask one or two groups to present their choices to the class for each option. Learners individually write up viewpoints. <b>(F)</b></p>

Syllabus ref.	Learning	Suggested teaching activities
2.3	Identify and explain the benefits and limitations of part-time and full-time workers.	<p>Show examples of newspaper or online advertisements to identify which type of workers different businesses use. Discuss the results and define 'full time' and 'part time' and add key words to glossary. Explain the difference between part-time and full time employees.</p> <p>Divide learners into groups to discover the benefits and limitations of either part-time or full-time work. Each group could present their findings to the whole class and a general discussion of key issues could follow.</p> <p>Learners work in pairs or groups on a decision-making activity - a manufacturer has received an order, or a shop or hotel wants to recruit more workers - to decide whether the business should recruit full-time or part-time employees, and justify their choice.</p>
2.3	<p>Importance of training to a business and employees.</p> <p>Benefits and limitations of induction training, on-the-job and off-the-job training.</p>	<p>Learners work in pairs to mind map possible reasons why training is done and share ideas as a class to confirm.</p> <p>Provide learners with factsheets on a range of jobs – including a lawyer, teacher, doctor, shop assistant, farm worker, factory worker. Learners produce newspaper headlines to highlight the training requirements needed for each job. <b>(I)</b></p> <p>Use a video to introduce induction training, or part of an actual induction training video, for example: <a href="http://www.youtube.com/watch?v=ZCN-EFku2bs">www.youtube.com/watch?v=ZCN-EFku2bs</a></p> <p>Discuss and confirm the benefits of induction training for employees.</p> <p>Divide the class into groups. Half the groups research advantages and disadvantages of on-the-job training and the other half research off-the-job training. Each group are paired with another group who has researched the other type to explain to each other what they discovered.</p> <p>Provide learners with a number of different scenarios - business introducing a new computer program into the accounts department, or someone starting a job as a waiter in a restaurant – to decide on an appropriate training method. <b>(F) (I)</b></p> <p>Check understanding by asking plenary questions.</p>
2.3	<p>Learners should be able to explain the difference between dismissal and redundancy.</p> <p>Learners should be</p>	<p>Discuss reasons why some people leave their jobs. Define 'redundancy' and 'dismissal' and learners add terms to glossary.</p> <p>Learners work in pairs to identify whether workers have been dismissed or made redundant in a number of scenarios such as a factory closes down, or a worker takes products from the shop.</p>

Syllabus ref.	Learning	Suggested teaching activities
	<p>able to identify and explain situations when downsizing may be necessary.</p> <p>Learners should be able to identify factors and be able to explain and justify which workers should be recruited/made redundant in given circumstances.</p>	<p>As a class, discuss possible reasons why a business might need to reduce the size of its workforce. Explain the factors to consider when making workers redundant.</p> <p>Provide learners different scenarios - a large cell phone manufacturer decides to close a factory or a retailer looking to open a new shop - to discuss and decide which workers should be selected for redundancy or recruited. Encourage learners to use questions such as How or Why to develop ideas and explore further ideas. Further information about costs, and numbers can be provided as necessary. Confirm through whole class discussion and add ideas in.</p> <p>Distribute cards (one to each learner) on which is written a statement on the topic. Half of the cards will contain statements that are true, half false. Learners decide if theirs is one of the true statements or not. <b>(F)</b></p>
2.3	<p>Explain the main types of legal control relating to employment issues and understand their impact on employers and employees.</p>	<p>Explain the main types of legal controls relating to employment issues.</p> <p>Learners complete a card sorting activity in which they have to match the effect of a given legal control to either employee or employer.</p> <p>Learners use case studies or local examples to discuss situations covered by legal controls. In each one, learners explain how the how legal controls affect both employees and employers. Emphasise to learners that they do not need to know details of specific laws. <b>(F)</b></p>
2.4 Internal and external communication	<p>Understand why effective communication is important and the methods used to achieve it.</p> <p>Demonstrate an awareness of communication barriers.</p>	<p>Provide learners with a simple communication activity e.g. getting learners to draw an object described only in the spoken word by another learner. Adapt the game to show what can happen if the wrong instructions are given.</p> <p>Show diagram of effective communication. Explain the four features: Sender, receiver, message and feedback. Learners complete and label a blank diagram and add notes as necessary.</p> <p>Learners write down ten methods of communication that they already know. Record all methods on the board. Discuss why there are different methods of communication.</p> <p>Define 'internal communication' and 'external communication'. Learners sort their list into internal and external methods. Note: Some methods may feature in both lists.</p> <p>Learners investigate the communication methods used in a business (for example the school or local business). Present</p>

Syllabus ref.	Learning	Suggested teaching activities
		<p>findings as a poster. <b>(I)</b> As a class discuss the results and consider the advantages and disadvantages of each method. Learners keep the information for future use.</p> <p>Learners work in groups to research the advantages and disadvantages of the main methods of communication. Each group researches a different method. Each group present the information in the form of a table identifying the method, internal or external, advantage(s), disadvantage(s) to be shared with the class. <b>(F)</b></p> <p>Provide learners with a worksheet or ask learners to suggest situations when a business might use each method. Other groups contribute ideas, to build up a list on the board. Learners record ideas in the table as appropriate. Explain that in any situation there is a range of possible alternatives.</p> <p>Learners complete a decision-making activity to decide on appropriate communication methods in a range of different scenarios. <b>(F)</b></p> <p>Use a game to introduce the idea of barriers to communication. For example, tell one person a simple message, which they have to pass on to the next person, continue until message reaches the original sender to establish if it is the same message. As a class, discuss ways to overcome barriers.</p> <p>Refer back to the earlier investigation of communication in school. As a class identify one possible barrier to communication, and problems it can create. Learners work in groups to identify possible solutions using a decision making technique such as the funnel or card ranking. <b>(F)</b> Present solution to the class and agree on a final solution.</p> <p><b>Extension activity:</b> Learners could analyse additional problems (possibly in school or a local organisation), and write a short report suggesting ways in which communication could be improved. <b>(I)</b></p> <p>Learners create 144 character messages outlining how to overcome barriers to communication. <b>(F)</b></p>
<b>Past and specimen papers</b>		
<p>Past/specimen papers and mark schemes can be downloaded from the Cambridge IGCSE 0450 syllabus page at <a href="http://www.cambridgeinternational.org/support">www.cambridgeinternational.org/support</a> <b>(F)</b></p> <p>Mar 15 Paper 22 Q2, Paper 12 Q2(a) &amp; (b)  Jun 15 Paper 11 Q3(d), Paper 13 Q2(e), Paper 22 Q1(b)  Nov 15 Paper 21 Q3(a), Q4(a), Paper 22 Q2(a)  Mar 16 Paper 12 Q2(d), Paper 22 Q2(a)  Jun 16 Paper 13 Q1(a) - (c), Paper 21 Q2, Paper 23 Q2(a)</p>		

Syllabus ref.	Learning	Suggested teaching activities
Nov 16	Paper 21 Q1(a), Paper 22 Q3(b), Paper 23 4(a)	
Mar 17	Paper 12 Q1(c) & (e), Paper 22 Q3(a)	
Jun 17	Paper 11 Q2(c), Paper 12 Q4(e), Paper 21 Q3(a), Paper 22 Q2(a)	
Nov 17	Paper 11 Q3(b) & (c), Paper 13 Q4(c), Paper 21 Q4(b), Paper 22 Q3(a), Paper 23 Q3(a)	
Specimen paper 1	Q1(b) & (d), Q3(b) & (e)	
Specimen paper 2	Q1(b), Q3(a)	

### 3. Marketing

Syllabus ref.	Learning objectives	Suggested teaching activities
3.1 Marketing, competition and the customer	<p>Understand the role of marketing and why it is important for businesses to satisfy the needs of both existing and new customers.</p> <p>Learners should be able to identify and explain the benefits and limitations of each approach to marketing (niche and mass).</p> <p>Learners should be able to identify how and why market segmentation is undertaken. They should be able to select and justify an appropriate method of segmentation in given circumstances.</p>	<p>Ask the question 'what is marketing? Learners have one minute to write down ideas and record on a mind map. In pairs, learners share ideas with each other before joining with another pair. Working as a group, learners classify similar words together and explore patterns between the words to identify different elements of each term. Explain that marketing is more than just selling goods. Lead a class discussion on the role of marketing and introduce ideas of different types of markets, customer needs, customer loyalty and building customer relationships.</p> <p>Illustrate how one market – for example toothpaste - could be divided up. Explain 'mass marketing' and 'niche marketing'. Use a card sorting activity to match the key terms to a description. Add terms to key word glossary.</p> <p>In pairs, learners classify local products using criteria such as how the products look, price, promotion and where it is sold.</p> <p>Provide cards showing the benefits and limitations of niche market and mass marketing – learners sort them into the correct category. Write up as a short report – ensuring that ideas are developed. <b>(F)</b></p> <p>Use an example - such as chocolate advertisements targeted at children and at adults - to introduce 'segmentation'. Discuss different ways a market could be segmented – including age, gender and interests. Learners identify and draw a diagram to show the ways to different product such as motorcars can be segmented. <b>(I)</b> Challenge learners to explore how other products and services are segmented.</p> <p>Whole class discussion on why segmentation is important. Learners could be provided with a worksheet or questions to check understanding. <b>(F)</b></p>
3.2 Market research	<p>Learners should understand the need for market research and the methods used.</p> <p>Learners should be</p>	<p>Use a video to introduce the need for market research, for example:  <a href="https://www.bbc.com/bitesize/guides/zd4kq6f/video">https://www.bbc.com/bitesize/guides/zd4kq6f/video</a> or <a href="https://www.youtube.com/watch?v=qLZLx4YxjsY">https://www.youtube.com/watch?v=qLZLx4YxjsY</a></p> <p>In groups learners, discuss what information a business needs to know about the market, and why this information is needed. Each group shares its ideas with another group, and updates their list as necessary.</p> <p>Introduce 'market research', 'primary research', and 'secondary research'. A method to introduce this could be a 'Key word anagrams' activity – learners solve anagrams and discuss the meaning of key words in pairs. Add terms to key</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
	<p>able to present and use market research results.</p>	<p>word glossary.</p> <p>Divide learners into groups to research and note take a different method. Present information in a table. Table - whether it is a primary or secondary source, advantages, disadvantages, example of when it should be used. A member from each group then joins a different group, to share the information gained.</p> <p>Learners provided with a scenario – for example a business introducing a new computer game or planning to sell in a new country or market - to decide on the most appropriate method of research to use. <b>(F)</b></p> <p>Define ‘sampling’, the different methods and why it is needed. Ask learners to match the key terms to descriptions using sort cards.</p> <p>Divide learners into three groups to carry out a simple market research exercise including some primary research. For example introducing a new product into the school shop. Present findings in the form of charts and graphs. <b>(F)</b></p> <p>Introduce idea that not all research is accurate, using examples of poorly-worded questions, pictures of wrong locations, cards saying ‘carried out 5 years ago’. Ask learners to suggest possible problems. Use prompt questions such as when were the questions asked, how old is the information, how many people were asked - as necessary. Write all the points on the board.</p> <p>Learners work in pairs to write up a fact sheet of things to remember when carrying out market research. <b>(F)</b></p>
3.3 Marketing mix	<p>Learners should be able to identify and explain the costs and benefits of developing new products.</p> <p>Learners should be able to explain the concept of brand image and its impact on sales and customer loyalty.</p> <p>Identify and explain the role of packaging.</p>	<p>Show learners a popular product. As a class discuss what makes a product successful.</p> <p>Define ‘product’ and add to key word glossary. Explain the term can refer to goods or services. In addition, ‘product’ refers to the whole product/service, including added value elements such as maintenance, warranty, delivery and information which can be sources of competitive advantage.</p> <p>Show learners a video clip on product development, for example: <a href="http://www.youtube.com/watch?v=a1-OHJcWewA">www.youtube.com/watch?v=a1-OHJcWewA</a></p> <p>Learners construct a flowchart outlining the main stages of product development, with a written summary to explain what happens in each stage and why it is important. <b>(F)</b></p> <p>Using the example of a new product (for example a new type of toy or drink) discuss the possible costs and benefits of developing this new product. Each learner produces a brief written report outlining the possible costs and benefits of</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
	<p>Learners should be able to draw and interpret a product life cycle diagram. They should be able to identify and explain the main stages of the product life cycle, including extension strategies; and explain how stages of the product life cycle can influence marketing decisions.</p>	<p>developing a different new product. <b>(I)</b></p> <p>Show learners an example (or photographs) of a branded item (for example clothing). Learners tell class what they know about this product. Factors to consider include: Function, price, quality, where sold and how Explain the terms 'brand image'.</p> <p>In groups learners compare the brands for a particular product. A product such as mobile phones could be taken as an example and study of how products change in relation to recent developments. Discuss as a class, what a brand is, include its impact on sales and customers. For instance, using the phones again, learners can discuss which products are popular and why.</p> <p>Divide learners into groups and use the same factors to look at a similar product with a different brand image. Use this information as the basis for a class discussion on the role of branding and its importance. Learners write a short summary to explain the benefits of branding to a company.</p> <p>Ask learners to look at the packaging on two products at home and prepare notes to explain what role the packaging plays. <b>(I)</b> Invite one or two learners to present their findings to the class. Link this to idea that packaging can help create the brand image.</p> <p>Learners, in groups, explore the packaging of two products and discuss why they are packaged this way. Learners share ideas with another group. Learners could also design the packaging for a product.</p> <p><b>Extension activity:</b> Learners could write a short report or presentation of the packaging, justifying the reasons for this particular design. <b>(F) (I)</b></p> <p>Draw two different product lifecycles on the board, using examples of products used previously. Ask learners to discuss what they notice about the two different patterns. Learners annotate a blank product life cycle diagram.</p> <p>Learners, in groups, research the main features of each stage, and the impact of each stage on possible marketing decisions. They use their chart to help identify the stage of life cycle for a number of different products.</p> <p>As a class, discuss different ways a business could extend the life of a given product. As a basis for discussion, learners could use a case study such as Kellogg's. As a class then decide on a suitable extension strategy.</p> <p>Learners work in groups on a different scenario, to discuss and decide on appropriate solution and report back to the class. <b>(F)</b></p>



Syllabus ref.	Learning objectives	Suggested teaching activities
3.3	<p>Learners should be able to identify and explain the main pricing methods and be able to select and recommend an appropriate pricing method in given circumstances.</p> <p>Learners should understand the significance of price elasticity of demand.</p>	<p>Before the lesson, ask learners to compare prices of a consumer article between different brands and different outlets. In class, discuss the results.</p> <p>Define 'price skimming', 'penetration pricing', 'competitive pricing', 'cost plus pricing' and 'promotional pricing'. Learners add these terms to their glossary.</p> <p>Divide learners into groups. Each group has to research one method of pricing. This should include advantages and disadvantages. All points are written on a piece of paper. Each group will then present their results to the class to be collated on the board. As a class, use this information to discuss possible situations when each method of pricing might be used. Mind map characteristics of each method. Learners are given different scenarios such as a new hi-tech phone being launched. For each scenario, learners should consider one or two possible strategies that could be used before deciding which would be the most appropriate strategy to use. <b>(F) (I)</b></p> <p>Introduce the term 'price elasticity'. Using examples show the difference between elastic and inelastic demand. Explain that knowledge of the formula and calculations of price elasticity will not be assessed.</p> <p>Explain using a worked example how a business can use knowledge of price elasticity of demand when making pricing decisions. Use a worksheet containing descriptions of the price elasticity with missing words for learners to fill in, to check understanding. <b>(F)</b></p>
3.3	<p>Learners should be able to identify and explain the advantages and disadvantages of different channels and be able to select and justify an appropriate distribution channel in given circumstances.</p>	<p>Introduce 'place' (or 'distribution channel') by giving groups of learners a selection of products for them to decide where or how they could be sold. This can be used as a basis to discuss possible factors to consider when selecting a distribution channel.</p> <p>Define 'middlemen', 'wholesaler', 'agent', 'retailer'. Learners add key words to their glossary. Learners annotate a blank diagram of the four main distribution channels. For each channel, learners to research one advantage and disadvantage of each method. <b>(I)</b></p> <p>Learners work in pairs to identify suitable methods of distribution for a number of different products. For example, a car for exports, a made-to-measure suit, vegetables and a book.</p> <p>Use 'Is it true that' statements to check understanding. <b>(F)</b></p>
	<p>Learners should be able to identify and</p>	<p>Show learners an image (based on a form of promotion) with no explanation, and ask them to identify /explain it. Define 'promotion' and as a class discuss ideas about the role of promotion. Most learners will be aware of promotion and the</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
	<p>explain the aims of promotion. They should be able to identify the advantages and disadvantages of different methods of promotion and explain how they influence sales.</p> <p>Learners should be able to explain the importance of a marketing budget, and the need for cost effectiveness in spending the marketing budget.</p>	<p>range of possible methods of promotion. Explain the importance of selecting the right method for a certain product. Discuss possible factors to consider when choosing a method, creating a class list.</p> <p>Learners complete a worksheet on the different methods of promotion, including advantages and disadvantages and examples of when each method could be used. <b>(F)</b> Then using this information, In groups learners choose one or two locally-produced products to identify what form of promotion is used and discuss how effective they think the method(s) has been. As an alternative, they could answer some questions based on a case study scenario or textbook activity. <b>(F)</b></p> <p>Define 'marketing budget'. Use an example to show the need for cost effectiveness.</p> <p>Learners, individually or in groups, develop their own promotion or advertising strategy for a product of their choice, with a realistic budget. <b>(I)</b> As part of this they should include a list of factors they considered when deciding on the type of promotion to use. Each individual or group present their promotion strategy to the class or write a short report for another group to evaluate. <b>(F)</b></p> <p>A case study scenario could also be used to apply their knowledge a different scenario. <b>(F)</b></p>
3.3	<p>Learners should be able to identify and explain the concept of e-commerce and the opportunities and threats of e-commerce for businesses and consumers.</p> <p>Learners should be able to explain how the internet and social networks are used for promotion.</p>	<p>Show learners some internet shopping sites as an introduction to e-commerce. Learners decide which products can or cannot easily be sold on the internet and discuss the reasons for the choices made. This can lead to a discussion on the role and importance of e-commerce in own country, including whether, how and why they use e-commerce or not.</p> <p>Learners produce a chart to identify two advantages and disadvantages of e-commerce for both consumers and businesses. <b>(I)</b></p> <p>Ask learners to research the use of social media in their country. <b>(I)</b> For example, you might want to divide learners into groups, to focus on points either for or against a question such as 'social media is the best way to advertise.' In the lesson, have a 20-minute class discussion on the topic. Learners write a short 2 minute summary based on the discussion. <b>(F)</b></p>
3.4 Marketing	Justify appropriate marketing strategies in	Recap marketing mix using a picture of four jigsaw pieces (labelled 'price', 'product', 'promotion' and 'place'). Discuss

Syllabus ref.	Learning objectives	Suggested teaching activities
strategy	<p>a given situation.</p> <p>Learners should be able to identify and explain the impact of legal controls on marketing.</p>	<p>idea of a marketing strategy before adding key term to glossary.</p> <p>In groups learners create a marketing strategy for a new product. This could be something the group might want to create for a mini-business activity or a popular product not currently available in own country. <b>(F)</b> Present the strategy to another group or class to assess.</p> <p>Learners use local websites and newspapers to explore local consumer issues linked to marketing. <b>(I)</b> Learners write up as headlines with short notes and images found from research to share with class. <b>(F)</b></p> <p>Hold a discussion on why and how legal controls are needed on marketing. Based on the information gathered and the discussion, learners produce a poster or a set of guidelines outlining the possible impact of legal controls on marketing.</p>
3.4	<p>Learners should be able to identify and explain the opportunities and problems of entering new markets abroad and understand the benefits and limitations of methods to overcome such problems.</p>	<p>Show image of one of the world's best-selling products. Explain that not all products are popular in all countries. Learners, in groups, research products that have been popular / unpopular in own country and share ideas with class. Discuss the idea of why products need to be adapted for different markets.</p> <p>In groups learners research different factors that a business needs to consider when entering a new market. <b>(I)</b> (Note: Exchange rates, quotas and tariffs will be considered in more detail later in Unit 6.)</p> <p>Presentation on the main methods – joint ventures, licensing and franchises. This should focus on an outline of each method, an example of how the method can be used, an advantage and disadvantage of each method. To reinforce the ideas learners complete a worksheet including a number of statements about the various methods to match to the relevant form. Use a crossword or quiz to check understanding. <b>(F)</b></p> <p>Learners are given two different scenarios, for example, a food retailer wants to open a restaurant in another country, or a shoe company is looking to sell its products in your country. Learners, in pairs, discuss which factors are likely to influence the success of each business. Ask each pair to explain one factor, and build up the ideas on the board.</p> <p>Link to 1.4 types of business organisation and 6.3 Business and the international economy.</p> <p>Distribute cards (one to each learner) on which is written a statement. Half of the cards will contain statements that are true, half false. Learners decide if theirs is one of the true statements or not. <b>(F)</b></p>

Past and specimen papers

**Syllabus ref.   Learning objectives   Suggested teaching activities**

Past/specimen papers and mark schemes can be downloaded from the Cambridge IGCSE 0450 syllabus page at [www.cambridgeinternational.org/support](http://www.cambridgeinternational.org/support) **(F)**

Mar 15 Paper 12 Q2(c), Paper 22 Q3(b)

Jun 15 Paper 11 Q1(d), Q3(b) & (e), Paper 12 Q3(d), Paper 22 Q2

Nov 15 Paper 11 Q3, Paper 12 Q2(d), Paper 23 Q3(b)

Mar 16 Paper 22 Q3(b)

Jun 16 Paper 11 Q3(c), Paper 12 Q2(d), Paper 23 Q3(b)

Nov 16 Paper 12 Q1(a)

Mar 17 Paper 12 Q1(e), Paper 22 Q1(a), Q2(a)

Jun 17 Paper 23 Q2(b)

Nov 17 Paper 11 Q3(e), Paper 13 Q2 Paper 21 Q1(b), Q4(a), Paper 23 Q1(b)

Specimen paper 1 Q4

Specimen paper 2 Q2(a)

## 4. Operations management

Syllabus ref.	Learning objectives	Suggested teaching activities
4.1 The meaning of production	<p>Explain the importance managing resources effectively to produce goods and services.</p> <p>Explain the difference between production and productivity.</p> <p>Explain the benefits of increasing efficiency and how to increase it.</p> <p>Explain why businesses hold inventories.</p> <p>Explain the concept of lean production, how to achieve it and the benefits of lean production.</p>	<p>Revisit business activity to remind learners about why businesses exist and the concept of 'added value'.</p> <p>Show learners an image of the production process. Learners label the main elements of the process. This can be done as a group or whole class activity.</p> <p>Define 'productivity' and explain how it is different to production. Explain that the term does not just apply to labour productivity. Show learners the general formula for productivity. Individually, learners are given some simple calculations to work out and note whether the figures show an improvement or not. Check learners' calculations and comments to ensure they have understood the formula. <b>(F)</b></p> <p>Learners define 'production', 'productivity', and add to key word glossary.</p> <p>Whole class discussion on the idea on efficiency. Remind learners, if necessary, of the link between increasing output from fewer resources to the idea of efficiency, which focuses on how well a business uses its resources. Discuss possible benefits of increasing efficiency and how to increase it.</p> <p>Learners work in groups to research ways to improve efficiency and use information to produce a newspaper advertisement. <b>(I) (F)</b> Each group shares its ideas with the class.</p> <p>Define 'inventory'. Divide learners into groups to research and note take either the reasons for holding inventory, or the costs. One person from each group then shares the information found out to the class. Alternatively, learners can be given a worksheet in which they are asked to identify the key points. <b>(F)</b></p> <p>Use a simple example such as cutting out a small shape from a large piece of paper to introduce lean production. Explain that the basis of lean production is cost reduction.</p> <p>Show a video clip or use a case study to develop an understanding of lean production and waste elimination. For example, the Toyota video: <a href="https://www.youtube.com/watch?v=P-bDIYWuptM">https://www.youtube.com/watch?v=P-bDIYWuptM</a> <a href="https://www.youtube.com/watch?v=F5vtCRFRAK0">https://www.youtube.com/watch?v=F5vtCRFRAK0</a></p> <p>Alternatively presentation on lean production and how to achieve it. Use as basis to discuss the possible benefits of using these methods. Learners in groups – one to represent each of the main methods – just-in-time, kaizen and cell production - prepare a table or mind map of the advantages and disadvantages for each method. <b>(I)</b> Learners share</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
		<p>findings with others so everyone aware of each approach.</p> <p>Learners, in groups, answer a case-study style question – for example a food factory - to identify waste and suggest ways that this could be reduced or eliminated. <b>(F)</b></p> <p>Set key questions for learners to respond to as a check of understanding. <b>(F)</b></p> <p><b>Extension activity:</b> Challenge learners to investigate waste in own school/ college. Each group comes up ideas to reduce or eliminate waste and design a poster or leaflet showing ways in which reducing wastage would cut costs. <b>(I)</b></p>
4.1.2 Main methods of production	Learners should be able to explain the main features, benefits, and limitations of job, batch and flow production, and recommend and justify an appropriate production method for a given situation.	<p>Divide learners into three different groups, to make paper cubes. Appoint a leader to each group to act as supervisor. In group 1, every worker makes a box from drawing through to cutting and sticking the box together. Group 2 replicate batch production making the boxes in stages. Group 3, one person will draw, the next cut, the next stick the boxes together. Supervisors record how many completed boxes are made. As a class discuss the results. Define job production, batch production and flow production. Add key terms to glossary.</p> <p>If possible arrange to visit a factory which uses one of the methods of production. Learners have a set of questions to answer during visit. Alternatively use short video clips to illustrate the different methods.</p> <p>Divide learners into six groups. Two groups research each method of production – job, batch and flow. Table - definition, two advantages, two disadvantages, example of when use. <b>(I)</b> Each group shares its findings with the class to produce a class list of points.</p> <p>Each group is given a different scenario – for example a shoe company or jewellery maker - to discuss possible methods and decide which one to use. For each one, learners should explain reasons for the choice. <b>(F)</b></p> <p>Whole class discussion on the impact on employees of the various methods. Link to 4.1.1 labour productivity and 2.1.1 motivation.</p> <p>End with quiz to check understanding. <b>(F)</b></p>
4.1.3	Explain how technology has changed production methods.	<p>Show pictures of how the production of a given product – for example a t-shirt - has changed over time (from hand made to the used of machinery). In pairs, learners produce a list of other products whose production methods have changed. Share as a class and add in ideas of products only made possible by technology such as mobile phones.</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
		In groups learners research how technology including CAM and CAD has changed the way goods are made. <b>(I)</b> Learners are provided with some fact cards as stimulus to add further explanation to methods identified. Confirm with whole class discussion about the effects of introducing new technology into a business. Emphasise the effects on the business, employees and customers. End with questions to check understanding. <b>(F)</b>
4.2 Costs, scale of production and break-even analysis	Learners should be able to identify and classify costs and use cost data to help make simple cost-based decisions.	<p>Learners work in pairs to mind map all the possible costs involved in organising an event and share as a class to confirm. Define fixed costs and variable costs. Emphasise the importance of costs for other topics such as finance and marketing.</p> <p>Provide learners with sort cards to match the key terms to the definitions. Then, working in pairs, learners have to classify ten costs into fixed or variable. Learners research the possible fixed and variable costs of either a local manufacturing or service business. <b>(I)</b> Each group could compare their results with other groups. Add key terms to glossary.</p> <p>Using data, explain how cost data can be used to help make simple cost-based decisions. Learners, in pairs, are given some cost data to apply the points learnt. Suitable questions can be found in the textbooks or on the internet, for example see links below. <b>(F)</b></p>
4.3 Achieving quality production	Learners should understand why quality is important and how quality production might be achieved.	<p>Present a word cloud based on principles of quality. Challenge learners to guess the term. Discuss the benefits of quality and how this can be important for a business.</p> <p>Learners in pairs are given a list of businesses to rank them by how important quality might be for each one. Each pair then joins with another pair to discuss their results. Confirm with class discussion.</p> <p>Presentation to explain the difference between quality control and quality assurance. Learners are given a sorting activity to identify the characteristics of each type of quality. <b>(F)</b> Add key words to glossary.</p> <p>Use two simple case study examples to show how each method can be used in an appropriate way.</p> <p>Provide learners with a different business situation to discuss and decide whether quality control or quality assurance is the most appropriate method. <b>(F)</b> On completion, each group briefly explains its conclusions to the class.</p> <p>Learners write up as headlines with short notes a summary of the different approaches. <b>(F)</b></p>
4.4 Location decisions	Learners should be able to identify and	Recap marketing and business start-up to remind learners why location might matter to a business.

Syllabus ref.	Learning objectives	Suggested teaching activities
	<p>explain the main factors influencing the location and relocation decisions of a business.</p> <p>Learners should be able to recommend and justify an appropriate location for a business in given circumstances.</p>	<p>Discuss possible reasons why the school is located where it is.</p> <p>Learners work in pairs to mind map possible location factors. They then work with another group and are provided with some stimulus to add some more ideas to their mind map in a different colour. Finally share ideas – take feedback from the pairs and discuss and confirm with a class list.</p> <p>Select one type of business – for example a manufacturer or retailer and present the facts about the proposal. Learners working in small groups decide on which factors might influence their choice of location and explain why the factor is important. <b>(I)</b> One or two groups present ideas to the class.</p> <p>Repeat the activity with a different type of business. Examples should cover a variety of different sizes and types of business activity so learners are aware that different factors are important for different businesses for example: A café as a new start-up, a private limited company looking to open a new clothes shop, or an international car manufacturer wanting a site for a new factory in another country. Learners write down factors, and share ideas with other groups for feedback. Learners compare and contrast the different factors that are important to each business, leading to a class discussion of the key features of a good location.</p> <p>In groups learners produce a table outlining the main factors that different types of business would need to consider. Table - location factor, primary sector, secondary sector and tertiary sector. Use a map of the local area or country, and the information to identify an appropriate location for a number of industries – including a retail shop, clothing factory, farm, hotel and power station. <b>(F)</b></p> <p>Provide stimulus information about two possible locations for a business looking to relocate or set up in a country – learners write up as an advertisement – reasons to set up in one of the locations. <b>(I) (F)</b></p> <p>Learners summarise the entire topic on paper with a single word. Then write a paragraph to explain your word. <b>(F)</b></p>



**Past and specimen papers**

Past/specimen papers and mark schemes can be downloaded from the Cambridge IGCSE 0450 syllabus page at [www.cambridgeinternational.org/support](http://www.cambridgeinternational.org/support) **(F)**

Mar 15 Paper 12 Q1, Paper 22 Q1(b)

Jun 15 Paper 11 Q1(c), Paper 22 Q3

Nov 15 Paper 11 Q1(c), Paper 12 Q2(c), Paper 13 Q1, Paper 21 Q3(b)

Jun 16 Paper 11 Q3(d), Paper 21 Q4(a), Paper 23 Q1(b)

Nov 16 Paper 13 Q3(d), Paper 22, Q4(a), Paper 23 Q2(b)

Mar 17 Paper 12 Q2(a), Mar 17 Paper 22 4(a)

Jun 17 Paper 13 Q4(a), Paper 21 Q1(a), Paper 22 Q3(b), Paper 23 Q3(b)

Nov 17 Paper 12 Q2(e), Paper 13 Q1(b), Paper 21 Q3(b), Paper 22 Q3(b), Paper 23 Q3(b)

Specimen paper 1 Q2(d)

Specimen paper 2 Q2(b), Q4(a)

## 5. Financial information and decisions

Syllabus ref.	Learning objectives	Suggested teaching activities
5.1 Business finance: needs and sources	<p>Explain the need for business finance.</p> <p>Explain the main sources of capital and be able to select, recommend and justify appropriate source(s) of finance in given circumstances.</p>	<p>Start with a discussion on what learners like to spend money on and where this money comes from and then discuss why a business needs finance. Define start-up capital, capital for expansion and working capital and add key terms to glossary.</p> <p>Learners complete an activity to classify a list of costs as either start-up, expansion or additional working capital. Learners exchange these lists with other pairs for feedback.</p> <p>Define 'sources of finance'. As a class, create a list of sources on the board. If possible, arrange for a business advisor or someone from the bank to give a talk on the different types of finance available to businesses in your country. Alternatively, Place learners into small groups – each group researches the benefits and disadvantages of one source of finance (from the list specified in the syllabus). They produce a presentation and revision/factsheet and present to their peers. Consolidate learning with a card sorting activity (learners have to place cards to the appropriate source of finance. <b>(F)</b> Explain some points can apply to more than one method.) Add all key words to glossary.</p> <p>Whole class discussion on factors to consider when selecting a source of finance. Emphasise the implications of the different alternatives in terms of the amount of capital that could be raised and the risks involved with each option. Learners need to be aware of the different options available to different types of businesses, and the business situation will have a big influence on the sources they can use.</p> <p>Provide learners with a range of different scenarios - for example, a new start-up business, a partnership looking to buy a new lorry and a public limited company wishing to open a new factory - to discuss possible options and decide on a suitable source of finance to choose. Learners write up as headlines with short notes to support final choices. <b>(F)</b></p> <p>Use 'Is it true that' statements to check understanding. <b>(F)</b></p>
5.2 Cash-flow forecasting and working capital	<p>Explain the importance of cash and of cash-flow forecasting.</p> <p>Understand the concept and importance of working</p>	<p>Learners have one minute to write down two or three reasons why they want or need money. They then pair up with a partner to compare lists. Then ask the pair to write down two reasons why cash might be important to a business. Share both lists with the class. Link this back to why businesses fail (unit 1.3.3).</p> <p>Define cash inflow and cash outflows. Learners in pairs sort a list of transactions into cash outflows and cash inflows.</p> <p>Show learners a diagram of the cash-flow cycle. Learners then label a blank cash-flow cycle. Explain the importance of</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
	capital.	<p>planning for cash flows. Define working capital.</p> <p>Show learners a cash flow forecast for a business. There should be both cash inflows and cash outflows and the closing balance for one month should show a negative balance. One or two values should be missing. Suitable examples can be found in the textbooks or on the internet. As a class, calculate the missing values. Discuss possible reasons for the negative balance from the data. Then, divide learners into groups.</p> <p>Provide learners with some data based on another incomplete cash flow forecast. Learners calculate the missing values. Learners can develop this amending certain figures in the cash-flow forecast such as an increase in sales by \$40000 or wages increase by \$20000 to see what effect it has on net cash flow and closing balances. <b>(F)</b> On completion learners add key words to glossary.</p> <p>Learners write for one minute on a specific question - for example 'what was the most important thing you learned today'. <b>(F)</b> Share with others or the class.</p> <p>Use a short video clip to highlight how cash flow problems can affect businesses. For example:  <a href="http://www.tutor2u.net/blog/index.php/business-studies/comments/costs-cashflow-and-closure-the-last-french-beret-maker">www.tutor2u.net/blog/index.php/business-studies/comments/costs-cashflow-and-closure-the-last-french-beret-maker</a></p> <p>Provide some data showing a business with cash flow problems. In groups learners identify ways in which the business might be able to improve its net cash position and share ideas as a class. This can lead to a class discussion of ways to overcome cash flow problems and possible problems of each method. Link this to a short-term problem so suggest short-term sources of finance as possible solutions.</p> <p>Repeat with different groups looking at one or two different scenarios, for example, a manufacturer who holds a lot of inventory. Each group has to decide on an appropriate solution to the problem, and present the solution to the class. <b>(F)</b> Encourage other groups to contribute ideas.</p> <p>Learners then complete a quiz based on when different methods should be used, and the limitations of each approach to check understanding. <b>(F)</b></p>
5.3 Income statements	Learners should understand what profit is and why it is important.	<p>Revisit objectives and break-even analysis to remind learners why profit might be important to a business.</p> <p>As a class, discuss possible reasons why profit is important to a private sector business.</p> <p>Use an example to show the difference between cash and profit. Explain the term liquidity (this will be studied later in</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
		<p>more detail).</p> <p>Learners complete a short worksheet to explain the difference between cash and profit. Learners fill in the gaps. <b>(F)</b></p>
5.3	Learners should be able to identify and explain the main features of an Income statement, and be able to use simple Income statements in decision making.	<p>As a class, use a case-study example to explain the basic relationship between the key elements of an income statement such as revenue, cost of sales, gross profit and profit. For example Pete's pizza parlour at: <a href="http://www.tes.com/teaching-resource/petes-pizza-parlour-profit-and-loss-6007469">www.tes.com/teaching-resource/petes-pizza-parlour-profit-and-loss-6007469</a></p> <p>Learners write up a short summary to explain the difference between 'sales' and 'cost of sales' and 'gross profit' and 'profit'. Learners create a mnemonic or rhyme to remember the sequence. <b>(F)</b> Ask one or two learners to share their ideas with the class.</p> <p>Provide some data to show the different costs and revenue of a business. Emphasise they will not be required to construct an income statement in the examination. However they will be expected to be able to use the information it contains to help make decisions. Learners will develop a better understanding of the financial statements if they are able to construct them.</p> <p>Learners work out the missing numbers to complete a simple income statement for a small retail business. Repeat the activity to practice calculations for different types of business, for example, a manufacturer. Follow up with some data to construct a simple income statement. <b>(F)</b></p> <p>Show learners two years of income statement data for a business. As a class compare what has happened to the data over time, and discuss how this information could help in decision making.</p> <p>Then in groups, provide learners with a different two sets of data to interpret. This could be two years of data for one business or data for two similar businesses. Learners describe and explain the differences between the two.</p> <p>Learners produce a revision crossword based on features of an Income Statement. <b>(F)</b></p>
5.4 Statement of financial position	Learners should be able to identify and explain the main elements of a statement of financial	<p>Show learners an image of a pair of weighing scales. On one side it should read 'Assets', and on the other, 'Liability + Owner's capital'. Use this to explain the concept of a statement of financial position.</p> <p>Discuss the terms 'non-current assets', 'current assets', 'current liability', 'non-current liabilities'.</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
	<p>position, and be able to interpret a simple statement of financial position and make deductions from it.</p>	<p>Learners complete a card sorting activity – one set with the terms named, another with definitions on, and a third set with various examples of assets, liabilities and capital items - to match the term to the correct definition and example. They check answers in the textbooks or compare their results with another group. Upon completion, learners add key terms to their glossary.</p> <p>Show learners a statement of financial position (complete with numbers) to highlight where each item is listed, and that it balances. Emphasise they are not expected to construct a statement of financial position in the exam. However they will be expected to know how to use the information it contains to help make deductions from it.</p> <p>Learners complete a statement of financial position for a business. (The statement of financial position should be presented in the correct format with two or three numbers are missing.) As a class, work out the missing numbers. Discuss how the different numbers are related. Learners in pairs repeat the task with other sets of data. <b>(F)</b></p> <p>Ask learners to silently solve a problem on the board. After revealing the answer, instruct those who got it right to raise their hands (and keep them raised); then, all other learners are to talk to someone with a raised hand to better understand the question and how to solve it next time.</p> <p>Follow up with another simple set of statement of financial position data to interpret. Learners will need two statements of financial position (either two years for one business, or data for two businesses). Learners describe what has happened to the data over time and work out possible reasons for the differences seen. <b>(F)</b></p>
5.5 Analysis of accounts	<p>Learners should be able to explain the concept and importance of profitability.</p> <p>Learners should be able to interpret financial statements by calculating and analysing profitability and liquidity ratios.</p> <p>Learners should be able to explain the concept of liquidity.</p>	<p>Show learners some financial data for a business (e.g. profit for two years). Ask learners to identify what this shows. Learners should consider the usefulness of this information alone. Use the data to explain the difference between profit and profitability. It is important that learners understand that the two terms are not the same.</p> <p>Introduce ratios by explaining that they are two numbers compared against each other. Using information from an income statement, show how to calculate the gross profit margin. Explain what the calculation shows. Learners work out the gross profit margin using two sets of data (this should be for two years) and share as a class to confirm. Learners can be provided additional data to practise the calculation.</p> <p>Learners repeat the same process for profit margin and Return on Capital Employed (ROCE). <b>(F)</b></p> <p>Learners write up notes in a table to describe what each of the three profitability ratios shows. Table - name, change seen (i.e. up or down) and analysis (what it shows). To produce the table, learners may need access to the basic ideas. This could be a factsheet with the information mixed up to match up correctly.</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
		<p>Learners are provided with different scenarios to work out the profitability ratios. For each scenario they should then explain whether the profitability has improved or not. <b>(F)</b></p> <p>Recap liquidity and explain why it is important that a business is able to assess its ability to pay back its short-term debts. Show learners how to calculate the current ratio. Explain what the calculation shows.</p> <p>Learners work out the current ratio and share results as a class. Repeat for acid test ratio formula. Learners add information about the liquidity ratios to table.</p> <p>Provide learners with two sets of figures to calculate the liquidity ratios for a given scenario. Each pair discuss the results with another group. More able learners can be given more challenging data to analyse. <b>(F)</b></p>
5.5	Learners should understand why and how accounts are used.	<p>Show learners images of an income statement and statement of financial position of a public limited company. Explain that only this type of business has to publish its accounts.</p> <p>Learners identify who might be interested in the information. List the main users on board. Link this to the idea of analysis, and how the accounts can be used to give these people the information they are looking for.</p> <p>Divide learners into groups – each one representing a different stakeholder group, for example, owners, employees, managers and lenders. Each group decide why and how each stakeholder would be interested in the accounts, and how they might use the accounts and ratio analysis to help make decisions. Each group produces a leaflet explaining why and how the stakeholder uses accounts. <b>(I)</b> Share leaflets with the class.</p> <p>Link 1.5 – stakeholders.</p> <p><b>Extension activity:</b> Learners are given a set of financial information. Learners, individually or in small groups, have to produce relevant ratios, and write comments on what this shows about the businesses performance. <b>(F)</b></p>

**Past and specimen papers**

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Mar 15 Paper 12 Q3(d), Q4(a), Paper 22 Q4(a)

Jun 15 Paper 11 Q4(e), Paper 13 Q3, Paper 21 Q3, Paper 23 Q3(b)

Nov 15 Paper 11 Q4(c), Paper 12 Q1(e)

Mar 16 Paper 12 Q2(d), Paper 22 Q1(b)

Jun 16 Paper 11 Q3(c), Paper 21 Q3(b), Paper 22 Q3(a)

Mar 17 Paper 22 Q4(b)

Jun 17 Paper 13 Q3, Paper 21 Q4, Paper 23 Q4(b)

Nov 17 Paper 11 Q3 Paper 12 Q3(b), Q3(c), Paper 21 Q2

Specimen paper 1 Q2

Specimen paper 2 Q3(b)

## 6. External influences on business activity

Syllabus ref.	Learning objectives	Suggested teaching activities
6.1 Economic issues: Business cycle	Understand the main stages of the business cycle.	<p>Show learners a diagram of the business cycle and discuss the features of a boom, recession, slump and growth stage. Learners are given a blank copy to label</p> <p>Learners complete a card sorting activity with headlines and images about the key features of each different stage. They match up the statements to the different stages and then update the diagram with information about each stage. <b>(F)</b></p> <p>Provide stimulus information about own economy. Discuss with learners what stage of the business cycle your country is in, and what evidence they have to support this view.</p> <p><b>Extension activity:</b> Learners, in groups, could investigate or be given information on four or five countries to decide if they are recession, growth, boom or slump and why. <b>(I)</b></p>
6.1 How government control over the economy affects business activity and how businesses may respond	<p>Identify government economic objectives, e.g. increasing Gross Domestic Product (GDP).</p> <p>Explain the impact on business of changes in employment levels, inflation and Gross Domestic Product.</p> <p>Explain the impact of changes in taxes and Government spending.</p> <p>Explain the impact of changes in interest rates can affect business activity.</p>	<p>Revisit objectives to remind learners that governments, like businesses, also set objectives. Explain that the actions a government takes to achieve these objectives will affect businesses and individuals.</p> <p>Introduce the concepts of Gross Domestic Product (GDP), inflation, balance of payments and unemployment. Learners could be given a worksheet in which the basic terms are described. Learners fill in the gaps.</p> <p>Place learners in groups – each group researches how and why governments might try to achieve a different objective and one possible effect on businesses. <b>(I)</b> They produce a short presentation and factsheet to present to the class. <b>(F)</b> Go through all the presentations so all learners have a complete set of information. Newspaper articles and news websites are a good source of information for this activity.</p> <p>Show learners a chart recording changes in the level of taxation for a country over a period of time.</p> <p>Explain the terms ‘indirect taxes’ and ‘direct taxes’. Provide learners with information about the different types of taxes in your country to identify as either direct or indirect taxes. Discuss how a rise in taxation might affect a business. Explain the effect of a rise will depend on the type of business, and what it sells.</p> <p>Provide learners with a scenario - such as the impact of lower rates of income tax on a large car manufacturing business or the impact of higher taxation on a small retailer of luxury products- to explain how each business is affected by the change. As a class discuss the results. Learners produce a flow chart to highlight the impact of higher or lower taxation</p>



Syllabus ref.	Learning objectives	Suggested teaching activities
	<p>Explain how businesses might respond to these changes.</p>	<p>on business. <b>(F)</b></p> <p>A similar approach could be used for interest rates. Learners could investigate what has happened to interest rates over a certain time period and find an example of how interest rates have impacted on two different types of businesses. For example, one business might have delayed investment, or found alternative sources of finance. Distribute cards (one to each learner) on which is written a statement. Half of the cards will contain statements that are true, half false. Learners decide if theirs is one of the true statements or not. <b>(F)</b></p> <p>As a class, discuss possible ways that a business might react to changes in government policies. Learners complete a worksheet to decide how businesses might respond to changes in government policy. <b>(F)</b></p> <p>Provide a scenario – this could be based on a real business in your own country or scenario for example, a large manufacturer of low cost clothing looking to expand by investing in new technology. Learners identify and explain the possible impact of government policies on the business. Points could include: reduction in income tax rates for low earners, higher taxation rates for businesses, lower interest rates, or higher sales tax on luxury products. <b>(I)</b> Present ideas to the class – others take notes and share ideas - and use these to develop a class consensus.</p>
6.2 Environmental and ethical issues	<p>Environmental concerns and ethical issues as both opportunities and constraints for businesses.</p>	<p>Use a short video clip on business impact on the environment such as: <a href="http://www.youtube.com/watch?v=FzxGyKyzfP8">www.youtube.com/watch?v=FzxGyKyzfP8</a></p> <p>Discuss concepts such as global warming, sustainable development external costs and external benefits. Add key words to glossary.</p> <p>Learners work in pairs to match up statements about the impact of business activity and its effect on the environment.</p> <p>Provide learners with a scenario - such as the building of a new chemical factory – to produce a list of points both for and against the idea. It must include reasons why the factory should be allowed as well as possible external costs. Some groups may need to be provided with hints.</p> <p>Reasons for (external benefits) – increased population, new jobs, new industrial processes (factories), increased need for products such as electronic devices, food packaging.</p> <p>Reasons against (external costs) – habitat destruction, types of pollution, waste disposal, loss of parkland.</p> <p>Each group make a presentation and other learners take notes. Learners use this information to write a short summary of own decision with a reason as to why they think it should or should not be built. <b>(F)</b></p>

Syllabus ref.	Learning objectives	Suggested teaching activities
		<p>Define 'pressure group'. Learners find examples of pressure groups in own country and what issues they are trying to influence. Discuss ways pressure groups could try to influence business behaviour. Learners produce a mind map that outlines the effects of pressure group actions on business. <b>(F)</b></p> <p>Whole class discussion on the role of legal controls over business activity affecting the environment. Learners work in groups, to investigate ways in a government can impact on business by the use of legal controls. Learners present their findings in a poster. <b>(I)</b></p> <p>Learners complete a decision-making activity – For example, a business wants to set up a factory causing pollution and waste-disposal issues but creating a lot of jobs in a country with high unemployment - to decide whether the business should or should not be allowed to set up. <b>(F)</b> Learners write a 1 minute summary of decision.</p> <p>Learners produce a mind map to record their initial ideas of what 'ethics/ethical' mean. They then share ideas with another learner and update these points on mind map in a different colour. Finally share ideas as a class. Emphasis to learners that ethical is not the same as legal. Explain that there is no right or wrong answer when discussing ethical decision making.</p> <p>Learners identify ways a business can be ethical or unethical. Record results as newspaper headlines. <b>(I)</b></p> <p>Provide learners with a scenario on an ethical issue. This could be based on a scenario such as the impact of a flower farm on a lake in Kenya (<a href="http://www.our-africa.org/kenya/lake-naivasha">www.our-africa.org/kenya/lake-naivasha</a>) or a topical issue in your country. Different groups prepare a case for or against the statement. Each group presents its ideas to the class – other learners take notes of ideas and peer assess the presentation. <b>(F)</b></p> <p>Learners complete a set of summary questions on ethics, environmental and legal controls. This should include definitions of key terms, identifying issues or examples of relevant legislation, and explain how business activity might be affected by a pressure group boycott. <b>(F)</b></p>
6.3 Business and the international economy	Learners should be able to understand the importance of globalisation and explain the opportunities and threats of globalisation for businesses.	<p>Show a collection of pictures about globalisation and learners guess the term. Then show a video clip for example: <a href="http://www.bbc.co.uk/education/clips/zcx87ty">www.bbc.co.uk/education/clips/zcx87ty</a> or <a href="http://www.youtube.com/watch?v=JJ0nFD19eT8">www.youtube.com/watch?v=JJ0nFD19eT8</a> Learners write a short summary of the importance of globalisation, or they can be given a worksheet based on the video.</p> <p>As a class consider the reasons for globalisation. Learners research the opportunities and threats of globalisation for businesses and present their findings as a poster. <b>(I)</b></p> <p>Learners are provided with a scenario - for example: An American computer company moves its production from USA to</p>

Syllabus ref.	Learning objectives	Suggested teaching activities
		<p>a small developing country in Asia - to discuss how businesses may benefit from globalisation. <b>(F)</b></p> <p>Explain that Government might try to influence the level of imports and exports. Methods should include quotas and tariffs. Learners complete a worksheet including definitions and explain the effect of such measures on a business' costs, sales and profits.</p> <p>Link 3.4.3 - new foreign markets.</p>
6.3	Learners should be able to identify and explain the reasons for the importance and growth of multinational companies (MNCs).	<p>Define 'multinational company'. Learners name examples they have heard about. Answers might include McDonalds, General Motors and Coca Cola. As a class, discuss why businesses want to become a multinational.</p> <p>Link 1.3.3 - why businesses grow.</p> <p>In groups learners research a multinational company, ideally one that operates in your country. Points to find out could include: What goods or services it provides, number of employees, and which other countries it has operations in. Learners could produce a newspaper advertisement on the company selected.</p> <p>Hold a class debate on the role of multinationals. Learners are given a scenario - such as whether a particular MNC should set up in your country. Different groups prepare a case either for or against the MNC. Learners can research as many points as they want, but limit them to two or three in the debate. On completion, learners write a short justification of own decision and include one or two key points and explain why these are important to their final decision. <b>(F)</b></p> <p>Learners summarise the entire topic on paper with a single word. Then write a paragraph to explain your word.</p>
6.3 Impact of exchange rate changes	<p>Depreciation and appreciation of an exchange rate.</p> <p>How exchange rate changes can affect businesses as importers and exporters of products, e.g. prices, competitiveness,</p>	<p>Use a simple role-play activity, in which books and pens are traded to illustrate the concept of exchange rates. Change the exchange rate to show the effect on the cost of each product. Introduce the terms 'importer', 'exporter', 'currency appreciation' and 'currency depreciation'. Explain how the increase in the value of an exchange rate might affect each business.</p> <p>As a class, prepare a flow chart, to highlight the effects of a change in rates for an importer and exporter. Show learners a video clip on the effect of exchange rate movements on a business, for example <a href="http://www.bbc.co.uk/news/business-18044218">www.bbc.co.uk/news/business-18044218</a></p> <p>Learners, in pairs, are provided with a scenario – for example a craft shop that imports its inventory - to explain what will happen to its costs, prices and profits if the exchange rate of the country rises. As an additional activity, learners could find out the value of their currency against a number of other currencies. <b>(I)</b></p>

Syllabus ref.	Learning objectives	Suggested teaching activities
	profitability.	Learners are provided with a scenario – for example a clothes manufacturer who imports materials and exports its products - to explain how an appreciation of the currency might affect the business. Reinforce implications by asking questions or use an activity in which learners have to fill in the missing words. <b>(F)</b>
<b>Past and specimen papers</b>		
<p>Past/specimen papers and mark schemes can be downloaded from the Cambridge IGCSE 0450 syllabus page at <a href="http://www.cambridgeinternational.org/support">www.cambridgeinternational.org/support</a> <b>(F)</b></p> <p>Mar 15 Paper 22 Q4(a)  Jun 15 Paper 12 Q2, Paper 13 Q4, Paper 21 Q4, Paper 22 Q4  Nov 15 Paper 11 Q2(b), Paper 12 Q4, Paper 13 Q4, Paper 22 Q4(a)  Mar 16 Paper 12 Q4(c)  Jun 16 Paper 11 Q4, Paper 12 Q4(e), Paper 13 Q2, Paper 21 Q3(a), Paper 22 Q4(a), Paper 23 Q4(b)  Nov 16 Paper 12 Q3(d), Paper 13 Q1(c), Paper 21 Q2(a), Paper 22 Q1(b)  Jun 17 Paper 21 Q2(b), Paper 22 Q1(b), Paper 23 Q1(b)  Nov 17 Paper 11 Q4, Paper 12 Q2, Paper 21 Q3(a), Paper 23 Q4(b)  Specimen paper 1 Q1  Specimen paper 2 Q4(b)</p>		

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