

# Syllabus

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## Cambridge International Diploma in Business Standard Level (US) For assessment in 2013

**This syllabus is only available to Centers taking part in the  
Board Examination Systems (BES) Pilot.**

**If you have any questions about this syllabus please contact Cambridge at  
[international@cie.org.uk](mailto:international@cie.org.uk).**



UNIVERSITY *of* CAMBRIDGE  
International Examinations

**Note**

**The subject content of this syllabus is the same as the international version. The range of components available is limited to make coursework, if applicable, a compulsory part of the syllabus.**

**Administration materials appear in UK English and are standard for all our international customers. Please read the *Cambridge Glossary* alongside this syllabus. This is available from our website.**

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# 1. Introduction

## 1.1 Why Choose Cambridge?

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

### Recognition

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

### Support

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

### Excellence in Education

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

### Nonprofit, Part of the University of Cambridge

CIE is part of Cambridge Assessment, a nonprofit organization, and part of the University of Cambridge. The needs of teachers and learners are at the core of what we do. CIE invests constantly in improving its qualifications and services. We draw upon education research in developing our qualifications.

# 1. Introduction

## 1.2 Why Choose Cambridge International Diploma in Business?

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

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

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

## 1.3 How Can I Find Out More?

### If You Are Already a Cambridge Center

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

### If You Are Not a Cambridge Center

You can find out how your organization can become a Cambridge Center. Email us at **[international@cie.org.uk](mailto:international@cie.org.uk)**. Learn more about the benefits of becoming a Cambridge Center at **[www.cie.org.uk](http://www.cie.org.uk)**.

# 2. Assessment at a Glance

## Cambridge International Diploma in Business Standard Level (US)

### 2.1 Examined Modules

The following Core and Optional modules are assessed by examination:

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

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

### 2.2 Results and Certification

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

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

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

# 2. Assessment at a Glance

## 2.3 Grade Descriptors for Examined Modules

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

### **Distinction Level Grade Descriptor**

The candidate will have demonstrated:

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

### **Merit Level Grade Descriptor**

The candidate will have demonstrated:

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

### **Pass Level Grade Descriptor**

The candidate will have demonstrated:

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

# 2. Assessment at a Glance

## 2.4 Full Diploma Criteria

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

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

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

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

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

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

# 3. Syllabus Goals and Objectives

## 3.1 Goals

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

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

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

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

The modules available are outlined below:

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

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

# 3. Syllabus Goals and Objectives

## 3.2 Syllabus Structure

Each module in the Diploma has the following structure:

- Assessment objectives
- Competence criteria
- Skills and Knowledge

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

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

## 3.3 Target Group

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

## 3.4 Length of Study

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

## 3.5 Tutor Support

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

# 4. Module Content

## 4.1 Business Organization and Environment (Core)

### Assessment Objectives

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

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

# 4. Module Content

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

# 4. Module Content

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

# 4. Module Content

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

# 4. Module Content

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

# 4. Module Content

## 4.2 Effective Business Communication (Core)

### Assessment Objectives

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

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

# 4. Module Content

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

# 4. Module Content

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

# 4. Module Content

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

# 4. Module Content

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

# 4. Module Content

## 4.3 Business Finance (Optional)

### Assessment Objectives

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

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

# 4. Module Content

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

# 4. Module Content

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

# 4. Module Content

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

# 4. Module Content

## 4.4 Marketing (Optional)

### Assessment Objectives

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

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

# 4. Module Content

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

# 4. Module Content

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

# 4. Module Content

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

# 4. Module Content

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

# 4. Module Content

## 4.5 Human Resource Management (Optional)

### Assessment Objectives

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

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

# 4. Module Content

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

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

# 5. Resource List

## 5.1 Textbooks and Websites

### Endorsed Textbooks

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

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

### General

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

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

# 5. Resource List

## Websites

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

# 5. Resource List

## Business Organization and Environment

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

## Effective Business Communication

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

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## Marketing

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

## Human Resources Management

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

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## Business Finance

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

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

Access to teachers' schemes of work (unit lesson plans), and regularly updated resource lists may be found on the CIE Teacher Support website at <http://teachers.cie.org.uk>. This website is available to teachers at registered CIE Centers.

# 5. Resource List

## 5.2 Glossary of terms

5210 Business Organization and Environment	
after-sales service	This is a form of customer service provided by an organization for its customers. It generally includes maintenance, repairs, and advice regarding the product or service purchased.
break-even point	The point where a business is making neither a profit nor a loss, but where the income or revenue received is exactly equal to the amount being paid out in costs or expenses.
business	Any organization set up to produce a product or service, with the intention of making a profit.
business cycle	A recurring change in general business conditions that will enable a business to forecast future events.
business incentive programs	Programs, often set up by the government, to encourage the start-up of business, or business expansion and growth.
capital	The funds invested in a business to enable it to buy the assets it needs to continue trading.
centralized	Where a large business decides that all its decisions will be made at head office, therefore centralizing all the power.
chain of command	The route through which instructions are issued by managers.
charity	An organization that exists to raise funds for the needy or to carry out socially useful work. It is nonprofit making.
code of conduct	A form of self-regulation designed and implemented by an organization, enabling it to set appropriate standards for all employees or firms within an industry.
cooperative	A business organization, such as a factory, farm, or store, that is collectively owned and operated by a group of people who run it for the benefit of the group.
customer base	The types of customer that the business aims its products at.
debenture	A certificate issued by a company to acknowledge a long-term loan. These can only be issued by limited companies and are usually taken up by a bank.
decentralized	Where a large business allows all its smaller branches to make decisions for themselves, therefore decentralizing the power.
deregulation	Where the government withdraws legislation restricting business practices to enable the industry to develop without restrictions.

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direct costs	Costs that are directly attributable to the production processes, e.g., production line wages and raw materials.
distribution of income	The use of taxes by a government to distribute the national income to national services, such as social security.
factors of production	The resources used in all business activity: land, labor, capital, and entrepreneurship.
fair trading	The Federal Trade Commission is given the authority by Congress to take action against any company or group that tries to reduce competition or fix prices.
financial institutions	Businesses that provide financial services to private individuals or firms, such as loan facilities, insurance, and mortgages. Examples of these include banks, savings and loan associations, insurance companies, and financial advisers.
financial services	Organizations that manage money, capital, or credit.
fixed capital	The amount of funds invested in a business that has been used to purchase items that will last a long time, such as office equipment and buildings.
fixed costs	Costs that remain the same regardless of output. If you increase production, these costs will not increase, e.g., rent and property taxes.
fixed-term contract	An agreement to supply goods or services to a customer for a given period of time.
flat structure	An organizational structure that has very few tiers within its design.
flextime	Where organizations allow their employees to work hours that suit them, with start and finish times being at the employees' discretion. As long as the employees work the correct number of hours in a week, the times at which they work are irrelevant.
forecasting	Use of the previous year's figures, such as sales figures, to try and predict the next year's figures.
franchise	A business where the owner has purchased the right to sell another's goods. The owner will purchase the brand name and in return will receive privileges. This enables a small business to run while gaining the benefits of belonging to a large organization, such as group advertising and promotions.
indirect costs	Costs that are not directly attributable to the production process, e.g., administration wages, stationery, and heating.

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

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

# 5. Resource List

surplus	In a nonprofit-making organization, the amount left when costs are taken away from income.
target setting	A management function that enables the business to progress and set attainable targets for the future. This process can cover any time period, such as weekly, monthly, or annual targets.
taxation	The main method used by central and local governments for raising revenue.
tertiary industry/sector	Industries that do not produce anything, but provide a service, e.g., hotels and management consultants.
trade credit	Credit given to a firm by another firm, usually one within the same line of business.
variable costs	Costs that alter when output changes, e.g., raw materials.
venture capital	Risk capital, usually in the form of a package of loan and share capital, to provide sufficient investment in a small or medium-sized business that wishes to produce a new product.
working capital	The amount of funds available to the business that can be used for daily trading, such as buying stock.
<b>5187 Effective Business Communication</b>	
action points/tasks for follow up	A list of actions that must be undertaken by selected individuals, which has been agreed at a meeting.
bar chart	A diagram that gives a quick comparison between variables, e.g., the number of people working in each department.
body language	Hidden messages sent through body movement, e.g., a nodding head often means agreement.
clarify information	To check understanding of the facts and/or figures.
communication	The process of transferring information from one person to another.
corporate image	The perception of an organization that is held by employees, customers, the government, and the public.
cost-effectiveness	Giving a satisfactory return for the amount spent.
counseling	Advice given.
disciplinary interview (hearing)	A meeting to discuss an employee's inappropriate actions.
email	Electronic mail sent from one computer to another.

# 5. Resource List

employment interview	A formal interview to find out about a person's suitability for a vacancy within the company.
external	Outside the organization.
fax	An exact copy of a document, sent from one fax machine to another through telephone lines.
formal channel	Information being passed conforms to the official structures set within the organization.
functional group	A group focusing on activities within an individual department.
goals	Long-term intentions.
grievance procedure	A formal interview discussing an employee's complaint about the way s/he is treated.
group culture	The "unwritten rules" that influence the behavior, decision-making, and management style of employees within a company.
group hierarchy	The position of each individual within an organization.
informal channel	Information being passed outside the official channels of communication within an organization.
interaction	Communication between people.
Internet	The information superhighway, linking millions of computers worldwide.
leadership	Being in charge.
line graph	A diagram that joins a series of points showing the relationship between two variables.
market research	The process of gathering data on consumers, in relation to the product a business sells.
memo	An official written internal document for information that is brief or urgent.
multimedia	The computerized presentation of information, by combining audio and video components using text, sound, and graphics.
nonverbal communication	Body language, e.g., eye contact, hand gestures.
obtain information	Gather the facts and/or figures.
one-way communication	The sender of a communication receives no feedback.
organizational chart	A diagram showing the position of management and employees within an organization.
performance appraisal review	An assessment of an employee's work over a period of time.

# 5. Resource List

pie chart	A diagram with a circle split into proportional slices to represent different items.
project group	A group focusing on a particular activity.
receiver	A person receiving information.
report	A written business document.
research and development interview	A meeting focusing on new ideas for a business and how these ideas can be turned into commercially viable products.
self-managing group	A group that is responsible for itself—for identifying problems and solving them.
semi-structured interview	An interview with pre-set main questions, then follow-up questions that are decided during the interview.
sender	An individual issuing information.
set house styles	Strict layout rules, established by an organization for its business documents.
structured interview	An interview in which all questions are formally set in advance.
table	Rows and columns of information (normally figures).
two-way communication	The sender of a communication receives feedback.
verbal communication	Oral or written communication.
<b>5188 Business Finance</b>	
<i>accounting</i>	
financial accounting	The preparation of business accounts from business records.
management accounting	The preparation of financial statements, reports, and data for use by managers.
cost accounting	A subsidiary of management accounting that tries to establish precise information regarding the cost of the business activity.
<i>assets</i>	Items or claims held by a business that have a monetary value attached to them.
tangible assets	Physical assets, e.g., land, building, equipment.
intangible assets	Nonphysical assets, e.g., patents, trademarks, copyright.
balance sheet	A summary of the financial position of a business at a point in time, including liabilities and assets.
bank loan	A fixed sum of money, lent for a fixed period of time at a set rate of interest, from one of the commercial banks.

# 5. Resource List

bank reconciliation	The agreement of the bank columns of a cash book.
book value	The current value of an asset—historic cost minus accumulated depreciation.
break-even	The quantity of sales at which total costs equal total revenue.
budgetary control	The monitoring of financial targets for the future.
business entity	Business identity as “an artificial legal person.”
capital	The money invested in a business by its owners.
capital expenditure	Spending on assets that will last for more than one production time period.
cash book	A ledger that is used to enter incoming and outgoing payments.
cash flow	Cash inflows and outflows over a period of time.
copyright	The exclusive legal right to an originator of material over that material, e.g., to print, publish, perform, or film it.
cost	An expense incurred in operating a business.
direct costs	Costs that a business can link directly with the output of the business, e.g., raw materials.
indirect costs	Costs that cannot be attributed to just one product.
fixed costs	Costs that do not vary with number of output units produced.
variable costs	Costs that vary with the number of output units produced.
marginal costs	The addition to total costs of producing one extra unit of output.
unit/average cost	The cost of producing a single unit of output, i.e., total cost of production divided by total output.
cost centers	Divisions of the costs according to the functions of a business.
credit	A positive entry in an account book, recording a payment received.
credit note	A supplier’s note, agreeing or certifying a rebate, usually issued on goods returned.
day book	An account book used for the initiation of credit transactions, where goods are sold on credit.
debit	A negative entry in an account book, recording a payment made.
debt factoring	A short-term source of finance where the risk of collecting the debt becomes that of a third party (called the factor), who “buy” the debts of firms for cash.
disclosure	Assumed compliance with accounting standards.

# 5. Resource List

double-entry bookkeeping	Records where entries are made onto books or ledgers as both a credit and a debit.
forecast	An estimate or calculation of budgets for the future.
going concern	The notion that the business will continue to operate. This ensures that closing balances become opening balances.
historic cost	The valuation of assets at their original cost.
incorporated body	A company recognized in law.
investment	The production of items that are not for immediate consumption. The purchase by an organization of equipment and materials that will add to capital stock. To lay out money in an enterprise with the expectation of profit.
<i>investment appraisal</i>	The analysis of the viability of an investment project.
average rate of return	The measurement of net return per annum expressed as a % of initial investment.
internal rate of return	The rate of return at which the net present value is equal to zero.
net present value	The present value of a future income stream minus the initial cost of the investment.
invoice	A list of goods shipped or sent, or services rendered, with prices and charges.
journal	See "day book."
<i>ledgers</i>	Account ruled books used for recording information, in money values, of the day-to-day trading of a business.
purchase ledger	A ledger recording the goods and services purchased by a business.
sales ledger	A ledger recording the sales made by a business.
nominal/general ledger	A ledger recording sales, purchases, bank receipts and payments, cash receipts and payments, transfer of money from accounts, etc.
<i>liabilities</i>	Items owed by the business that can be long term or current.
current liabilities	Liabilities that are likely to require repayment within one year.
long-term liabilities	Liabilities with a repayment period beyond one year.
money cycle	Also called "circular flow." The way in which money flows from businesses to households by the exchange of goods and services, and factors of production.
money terms	Values of goods and services expressed accurately in terms of currency units.

# 5. Resource List

overdraft	A situation where withdrawals exceed payments in an account.
overhead	The sum of all business costs that cannot be traced to specific units of output, or are not traced because it is too costly or inconvenient to do so.
partnership	An association consisting of 2–20 people, who agree to contribute money, labor, and skill to a business for the benefit of all, and to share the profits and losses.
patent	A government authority to an individual or organization, conferring a right or a title.
<i>profit</i>	Total revenue minus total cost.
gross profit	Sales revenue minus cost of sales.
net profit	Gross profit minus trading expenses.
profit and loss account	An account showing how the net profit of a business and the retained profit of a company are calculated.
profit center	Calculation of profit for a particular product or section of a business.
profits	Excess of revenues over outlays and expenses in a business enterprise over time.
raw materials	Inputs into production that are provided by nature.
realization	Profits earned when products are sold legally.
receipt	A record of a payment made.
retained profit	Those profits kept in the business after the owners have taken their share of the profits.
sole proprietorship	A business in which the owner provides the capital and takes all the profits, and carries the risk of the business alone.
<i>stock</i>	The division of capital into smaller equal portions.
common stock	Stock that attracts variable dividend payments and has strong voting rights—also known as equities.
cumulative shares	Shares that allow for dividends unpaid in one year to be paid in subsequent years.
preferred stock	Stock carrying a fixed rate of dividend that is payable from a company's available profits. Preferred stock has limited voting rights.
stock capital	Funds introduced into the business through the issue of shares—the maximum amount of money that can legally be raised through the sales of shares.

# 5. Resource List

taxation	The act or principle of levying compulsory financial contributions, imposed by the government to raise revenue.
trade credit	An agreement allowing a business to buy goods and services, and to pay for them over a fixed period of time.
trademark	A device or word secured by legal registration.
trading account	The financial statement that records the trading activities of the business and generates the gross profit figure.
transnational/multinational	An organization whose operations extend beyond national boundaries.
true and fair view	A testimony that accounts give an honest interpretation of the financial transactions of a business.
variance analysis	An investigation of the differences between actual and forecasted figures.
<b>5199 Marketing</b>	
advertising	The use of paid-for space in a publication, or for time on television, radio, or cinema, usually as a means of persuading people to take a particular course of action or to reach a point of view. Advertising may also be taken to include posters and other outdoor advertising.
bias	A statistical term referring to errors in sample survey results, which may be due to the use of an unrepresentative sample, to undue influence upon the response by the agency conducting the survey, or a combination of such causes.
competitive advantage	Some benefit or value provided by a product, service, or business, often unique to the organization concerned, that gives it superiority in the marketplace.
demographic segmentation	The division of the market into groups, based on demographic variables such as age, sex, income, occupation, family size, family life cycle, education, race/nationality.
desk research	Obtaining facts and information from sources that are already published (e.g., directories) or that are readily accessible (e.g., sales records), as opposed to field research.
direct marketing	A producer supplying direct to consumers, without the use of any retail outlet. This includes mail order companies and direct response firms selling through the media or by mail.
field research	That part of a market research survey that involves contact with customers or with a representative sample of the population.

# 5. Resource List

focus group	A small sample group of typical consumers under the direction of a leader who elicits reaction to a stimulus, such as an advertisement or a new product concept.
geographic segmentation	The division of a market into different geographical areas, such as neighborhoods, regions, countries, or cities.
marketing culture	A business that has adopted the marketing concept throughout the whole organization.
marketing mix	A planned mixture of the elements of marketing in a marketing plan. The goal is to combine them in such a way as to achieve the greatest effect at minimum cost. Also referred to as the 4Ps or the 7Ps.
marketing objective	Where an organization aims to be in the marketplace within a specified time. This may be broken down into products and territories, coupled with sales turnover figures and market share.
market orientation	Seeking to identify and quantify customer requirements, and planning output and profitability accordingly.
marketing plan	A written plan, usually comprehensive, describing all activities involved in achieving a particular marketing objective and their relationship to one another in both time and magnitude. A marketing plan will include short- and long-term sales forecasts, production and profit targets, pricing policy, promotional and selling strategy, staffing requirements, and also the selected marketing mix and expense budgets.
marketing planning process	The process of analyzing marketing opportunities, selecting target markets, developing appropriate marketing mixes, and putting in measures to control the process.
marketing research	Any research activity that provides information relating to marketing operations. While the term embraces conventional market research, also included are motivation studies, advertisement attention value, packaging effectiveness, logistics, and media research, as well as analysis of internal and external statistics of relevance.
market penetration	A strategy for increasing sales of current products into existing target market segments (by winning competitors' customers, increasing product usage, or taking over a competitor).
market research	Research into a particular market.
market share	The proportion of a particular market held by an organization.
market skimming pricing	Setting a high price for a new product with the aim of "skimming" high revenues from segments willing to pay high prices. The business sells less but at a more profitable price.

# 5. Resource List

personal selling	The process of making oral commercial representations during a buyer/seller interview situation. This is colloquially referred to as face-to-face selling, and sometimes known as buyer/seller interface.
PEST	Political, Economic, Social, and Technological analysis of an organization's environment.
PLC	The Product Life Cycle—a term used to describe the stages in the life cycle of a product: introductory, growth, maturity, and decline. At each stage, a different marketing mix is appropriate.
primary research	Information gathered for a specific purpose.
promotions mix	The combination of advertising, public relations, personal selling, and sales promotion that a business uses to achieve its promotional objectives.
public relations	A conscious effort to improve and maintain an organization's relationships with such people as employees, customers, stockholders, local communities, labor unions. The aim of this is to strengthen reputation, i.e., to build corporate image. Not to be confused with press relations.
sales promotion	Any non-face-to-face activity concerned with the promotion of sales, but often taken also to exclude advertising. In consumer marketing, frequently used to denote any below-the-line advertising expenditure, and having close connections with in-store merchandising.
secondary research	Information that already exists, having been gathered for another purpose.
segmentation	The breakdown of market into discrete and identifiable elements, each of which may have its own special requirements of a product, and each of which is likely to exhibit different habits affecting its exposure to advertising media. Other marketing factors, such as optimum price, quality, packaging, and distribution, are likely to differ between one segment and another. Typical breakdowns are based upon age, social standing, income, sex, geographical location, leisure pursuits.
survey research	The gathering of primary research through either mail, face-to-face, or telephone surveys. Questions are asked to identify knowledge, attitude, behavior, and preferences.
SWOT analysis	An analysis of Strengths, Weaknesses, Opportunities, Threats—a situation assessment used in marketing planning.
targeting	Choosing a medium that will direct an advertising message at a narrowly defined market segment.

# 5. Resource List

target segment	A set of buyers, sharing common needs or characteristics, that an organization decides to target.
<b>5200 Human Resource Management</b>	
appraisal	The process of assessing the progress and effectiveness of an employee.
bonus	An additional payment for reaching a sales or production target, or in recognition of service, or a share of profits.
centralization	All authority to take decisions is held by the senior management.
consultation	The process of seeking the views of others before making a decision.
contracting out	Giving tasks to independent or outside suppliers rather than directly employing the staff to do them, e.g., cleaning, computer servicing, catering.
CV (see also resumé)	Curriculum Vitae—a document that normally accompanies a job application form and that contains the details about a candidate's career history.
decentralization	The authority to make decisions is delegated downward through the chain of command, giving more responsibility to those in less senior positions.
disciplinary procedure	The process by which employees are reprimanded, punished, or even dismissed, as a result of their failure to work according to their employment contract and/or company code of conduct.
dismissal	The loss of an employee's job (also known as being "fired"), as a result of incompetence or some infringement of conduct or rule.
employers' association	An organization representing the interest of employers, within either an economic sector or an industry. The association's activities include research, public relations, negotiation, and lobbying.
employment contract	A legal document or agreement that sets out the terms and conditions of either a specific job or a category of job.
employment protection	The structure of laws, regulations, and agreements that safeguard employees from, for example, unfair dismissal, exploitation, or inadequate pay.
equal opportunities	Employees and prospective employees have equal chances of advancement and employment, regardless of their religion, gender, disability, or race.
fixed rate	A rate of pay that is fixed. It is generally applied to work that is not easily measured.

# 5. Resource List

fixed-term contract	An employment contract for a specific period of time, usually for a particular task.
flextime	An arrangement allowing employees to complete their working week at times largely convenient to them. Usually, a minimum number of hours must be worked during a specified time period, but the employee's starting and finishing times are flexible.
fringe benefits	Benefits given to employees in addition to wages or salary, e.g., a company car, subsidized meals, medical insurance. Fringe benefits help motivate staff and maintain their loyalty.
grievance procedure	The means by which employees can seek to resolve complaints of alleged or real breaches of the terms and conditions of their employment.
health and safety	Employers should provide, as far as is practicable, a safe working environment, as well as appropriate safety equipment, clothing, and training.
human resource management	The employment, training, and development of an organization's workforce to ensure it is effective and efficient.
induction training	An initial or introductory program designed to ease new employees into an organization. The emphasis is on rules and procedures, key personnel, terms, and conditions.
job creation	Government and/or business sponsored programs to create employment in economically depressed areas.
job description	A detailed statement identifying what a job entails, i.e., the nature of the work, responsibilities, tasks, measurement of performance, accountability.
job satisfaction	The extent to which employees feel positive about themselves and their work. Job satisfaction can be encouraged by recognition of effort. The lack of job satisfaction will lead to absenteeism and high staff turnover.
labor union	An organization representing employees' interests, e.g., pay, safety, training, and conditions.
layoff	A form of dismissal, except that layoffs can occur only if a particular job or function ceases to exist. An organization cannot lay off a person and then appoint someone else to the same or equivalent job.
lifelong learning	The idea that learning (education and training) is an ongoing experience.
line managers	Managers operate in a hierarchical structure and are delegated a certain amount of authority and responsibility. They may delegate in turn.

# 5. Resource List

media	The means or channels through which jobs can be advertised. The media include radio, television, magazines and journals, cinema, posters, and newspapers.
negotiation	The process by which opposing interests (e.g., those of the employer and those of the employees) try to come to mutually acceptable decisions.
payment by results (performance-based pay)	Sometimes referred to as PBR. A system of wages designed to achieve specific targets or generally a higher rate of output. Commission is an example of PBR.
person specification	A description of the qualities, attributes, and characteristics required in a person for them to carry out a particular job.
piecework	A method of wages based on output. The employee receives a payment or rate for each item they produce.
problem-solving mechanism	A process that seeks to resolve problems and conflicts at work through, for example, disciplinary and grievance procedures.
professional body or association	A form of labor union, as it may represent its membership in bargaining with employers, but it is also responsible for setting and maintaining professional standards.
profit-sharing	Employees are paid a share of the company's profits, usually in the form of an annual cash bonus.
references	Written statements in support of a candidate's job application. They contain comments about the person's character, abilities, and suitability. References are important in the recruitment process.
resignation	An employee voluntarily ends the employment contract by leaving the business. The period of notice they are required to give will depend upon the nature of the contract and the status of the employee.
retirement	An employee either reaches the end of their working life or chooses to give up work altogether, to live on a pension.
salary	A method of pay based on a year's work. For example, a job may carry a salary of \$20,000, and for that payment the employee is expected to do the job, regardless of the number of hours it takes.
service contract	An employment contract mostly given to senior management. It usually specifies long periods of notice and high compensation payments in the case of dismissal.
shift system	Work is undertaken during non-standard working hours, usually in 3 × 8 hour shifts in every 24-hour cycle. Shift working maximizes the use of plant and equipment to increase output.

# 5. Resource List

social costs	The costs to the whole community of a business decision. For example, if a business issues layoff notices, the resulting unemployment can affect the entire community.
stock option scheme	An incentive usually offered to management that permits them to buy company shares at a future date, say within 3–5 years, at today's price. For example, if the current share price is 50¢ and a future purchase is made when the price is \$2, then the executive can sell the shares and make \$1.50 profit on each.
support costs	The costs additional to pay involved in employing staff, e.g., protective clothing, training, company pension contributions.
Total Quality Management (TQM)	A method of monitoring the production process to prevent errors and poor quality. It attempts to influence the attitudes and actions of the workforce in order to create a quality culture.
training: off-the-job	All forms of training carried out away from the actual workplace, e.g., college, training center, conference room.
training: on-the-job	Training or instruction carried out at the actual place of work.
wage	A method of pay based on one hour's work. The pay check may be issued weekly, but it will represent the actual hours worked.
worker director	A representative of the workforce who sits on the board of directors as an acknowledged director, not just as an observer.
works council	A meeting or committee comprising representatives from both management and the general workforce. It discusses the development and improvement of the business and its processes.

# 6. Appendix: International Standards Terminology

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

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

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

# 6. Appendix: International Standards Terminology

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

# 7. Additional Information

## 7.1 Guided Learning Hours

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

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

## 7.2 Recommended Prerequisites

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

## 7.3 Resources

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

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

Access to teachers’ suggested schemes of work (unit lesson plans) and regularly updated resource lists may be found on the CIE Teacher Support website at **<http://teachers.cie.org.uk>**. This website is available to teachers at registered CIE Centers.

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

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