



GCE Applied Business (Double Award)

Further Clarification of the Specification

Unit 1 – The Enterprising Business

(Internally assessed)

Pilot version

This guide should be used in conjunction with the relevant sections of the CCEA GCE Applied Business (Double Award) specification

What is an Enterprising Business?

Candidates would be expected to define and give relevant examples of an enterprising business. They should be able to identify and give examples of how an enterprising business uses its resources (land labour and capital) in an effective and innovative way. They should be able to identify that an enterprising business needs to be receptive to new ideas and follow them through if appropriate. They should be able to discuss what makes an enterprising business different from a business that is not. They need to be able to offer relevant examples of these differences.

Aims and objectives of an enterprising business

Students would be expected to be able to identify and analyse how an enterprising business clarifies and fulfils its aims. They should be aware that most businesses aim for profit maximisation through increasing sales and market share.

Care for the environment

Students would be expected to cover areas such as the paperless office, relevant legislation (very briefly) and relevant ISO's (very briefly).

Growth and diversification

Students would be expected to cover areas such as new markets, new products, product modifications etc. They would be expected to provide relevant examples of these.

Staff development

Students would be expected to cover (briefly) how a business trains and develops its staff.

Corporate image

Students would be required to look at how a business develops its corporate image through such areas as marketing, advertising, logos etc

Services to the community

Students would be required to look at the various ways that a business serves the community. This service may come from a product that the business sells or a service that it provides. It may also cover areas such as the sponsorship of local events or charities.

Producing high quality products or services

For example a business may initially settle for less profit in order place its products and services as market leaders. A business needs to ensure that the quality of products or services is maintained at a level above customer expectation.

How is an Enterprising Business organised?

When the student is investigating the management structure of their chosen business, they need to reflect on whether or not the structure of the business allows for enterprise. At this stage it is not necessary to cover management styles. A statement about management structure is sufficient.

Innovation and enterprise

Students will need to understand how a business manages innovation and enterprise. For example how are new ideas managed, how are new products developed etc.

Control of Finance

Students will need to look at areas such as the control of cash, how a business ensures that it makes a profit, budgets etc. Students do not need to go into the detail of how these functions are carried out. At this stage it is not necessary to draw up budgets. However, for teaching purposes it might be useful to show students a simple budget. They should only be concerned how they are controlled.

Use of finance for decision-making

Students will be required to look at areas such as finance as a resource, and the importance of accurate record keeping. However for teaching purposes, it may be useful to cover examples of final accounts and budgets and identify what decisions could be made from these. Again this should be done briefly.

Motivation and development of staff

Students will be required to look at how training and development is organised. They could look very briefly at one or two management/ motivation theories. The emphasis should be on how the students' chosen businesses motivate and develop staff.

Communication

Students need to understand why it is important for an enterprising business to have an effective open communication structure. They need to understand that communication, motivation, good working relationships and the achievement of business objectives are interrelated.

Students need to be able to identify and give examples of barriers to communication. They also need to be able to identify how these barriers can be overcome.

Functional Areas of Business

Students will be required to understand that all businesses combine factors of production to produce their products or services. They need to be able to present examples of this. They need to understand how a business uses land, labour, capital and enterprise. Again examples of these need to be provided.

Finance

Students will be required to look at finance in relation to what function it provides in an enterprising business. Basically students need to know and understand what this department does, for example; cash flow statements, accounts, credit control, wages and salaries etc.

Production

Students will be required to look at the production department in relation to what function it provides in an enterprising business. Basically students need to know and understand what the production department is responsible for in an enterprising business.

Human Resources

Students will be required to look at the human resources department in relation to what function it provides in an enterprising business. Basically students need to know and understand what the human resource department is responsible for in an enterprising business, for example, recruitment, retention, training, development, staff welfare etc.

Marketing

Students will be required to look at the marketing department in relation to what function it provides in an enterprising business. Basically students need to know and understand what the marketing department is responsible for in an enterprising business.

Administration

Students will be required to look at the Administration function and what it provides for an enterprising business.

Research and development

Students will be required to look at the Research and Development function and what it provides for an enterprising business.

Enterprising distribution channels

The three bullet points in the specification under this heading are not intended as a prescriptive list. Other relevant alternatives will be just as acceptable.

Enterprising market research

Students need to understand that for a business to be enterprising it needs to exploit its full market potential effectively. In order to do this it has to carry out market research. Students should be able to classify research methods in simple terms, for example primary and secondary data. Students should be able to give examples of when it would be appropriate to use each research method.

Innovatory marketing methods

Students need to understand how the marketing mix is used by enterprising businesses to meet their own objectives and their customers' needs. Students should be able to draw on relevant examples of how enterprising businesses manipulate different elements of the marketing mix to do this.

Monitoring and reviewing business activities

Students need to understand that an enterprising business needs to constantly review and monitor its business activities.

Planning, organising and decision-making

Students are not required to know in detail how they do it but should be familiar with the process. It is more important that the student understands why a business needs to monitor and review in order to plan, organise and make decisions.

Quality Control

Students are not required to know how it is done. The focus needs to be on why it is important to an enterprising business. Again students need to recognise that monitoring and reviewing is vital to quality control.

Systems of Control

Again students do not need a detailed knowledge of systems of control, but they do need to be familiar with the different processes. For teaching purposes, a sentence about areas such as self-checking, quality circles, ISO 9000 is sufficient. It is more important that students can link the importance of monitoring and reviewing to systems of quality control.

The chosen Business for the students' assignment may have slight variations of the above and may not necessarily use the above headings.