Syllabus

Cambridge IGCSE®
Business Studies 0450

For examination in June and November 2017, 2018 and 2019.
Also available for examination in March 2017, 2018 and 2019 for India only.

Version 2

This syllabus is regulated in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate (QN: 500/5702/9).
Why choose Cambridge?

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

Our international qualifications are recognised by the world’s best universities and employers, giving students a wide range of options in their education and career. As a not-for-profit organisation, we devote our resources to delivering high-quality educational programmes that can unlock students’ potential.

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

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

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

‘We think the Cambridge curriculum is superb preparation for university.’

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

Quality management

Our systems for managing the provision of international qualifications and education programmes for students aged 5 to 19 are certified as meeting the internationally recognised standard for quality management, ISO 9001:2008. Learn more at cie.org.uk/ISO9001
**Contents**

1 Why choose this syllabus? ................................................................. 2
   Key benefits 2
   Recognition and progression 3
   Supporting teachers 3

2 Syllabus overview ......................................................................... 4
   Aims 4
   Content 5
   Assessment 6

3 Subject content .............................................................................. 7

4 Details of the assessment ................................................................ 18

5 Assessment objectives .................................................................... 19

6 International accounting terminology ........................................... 21

7 What else you need to know .......................................................... 22
   Before you start 22
   Making entries 23
   After the exam 24
   Grade descriptions 25
   Changes to this syllabus for 2017, 2018 and 2019 27

**Changes to this syllabus**
The latest syllabus is version 2, published September 2016. There are no significant changes which affect teaching.

Any textbooks endorsed to support the syllabus for examination from 2015 are still suitable for use with this syllabus.
1 Why choose this syllabus?

Key benefits

Cambridge IGCSE® syllabuses are created especially for international students. For over 25 years, we have worked with schools and teachers worldwide to develop syllabuses that are suitable for different countries, different types of schools and for learners with a wide range of abilities.

Cambridge IGCSE Business Studies is accepted by universities and employers as proof of an understanding of business concepts and techniques across a range of different types of businesses. Learners will be able to:

- understand different forms of business organisations, the environments in which businesses operate and business functions such as marketing, operations and finance
- appreciate the role of people in business success.

They will also gain lifelong skills, including:

- the ability to calculate and interpret business data
- communication skills needed to support arguments with reasons
- the ability to analyse business situations and reach decisions or judgements.

Our programmes balance a thorough knowledge and understanding of a subject and help to develop the skills learners need for their next steps in education or employment.

Our approach encourages learners to be:

Confident

Reflective

Engaged

Innovative

Responsible

Cambridge learners

‘The strength of Cambridge IGCSE qualifications is internationally recognised and has provided an international pathway for our students to continue their studies around the world.’

Gary Tan, Head of Schools and CEO, Raffles International Group of Schools, Indonesia
Recognition and progression

The combination of knowledge and skills in Cambridge IGCSE Business Studies gives learners a solid foundation for further study. Candidates who achieve grades A* to C are well prepared to follow a wide range of courses including Cambridge International AS & A Level Business.

Cambridge IGCSEs are accepted and valued by leading universities and employers around the world as evidence of academic achievement. Many universities require a combination of Cambridge International AS & A Levels and Cambridge IGCSEs to meet their entry requirements.

Learn more at www.cie.org.uk/recognition

Supporting teachers

We provide a wide range of practical resources, detailed guidance and innovative training and professional development so that you can give your learners the best possible preparation for Cambridge IGCSE.

Teaching resources
- Syllabus
- Scheme of work
- Learner guide
- Endorsed textbooks and digital resources
- Teacher support teachers.cie.org.uk
- Discussion forum
- Resource List

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

Training
- Face-to-face workshops around the world
- Online self-study training
- Online tutor-led training
- Professional development qualifications

Community
Community forum teachers.cie.org.uk
LinkedIn linkd.in/cambridgeteacher
Twitter @cie_education
Facebook facebook.com/cie.org.uk

‘Cambridge IGCSE is one of the most sought-after and recognised qualifications in the world. It is very popular in Egypt because it provides the perfect preparation for success at advanced level programmes.’

Mrs Omnia Kassabgy, Managing Director of British School in Egypt BSE
2 Syllabus overview

Aims

The syllabus aims summarise the context in which you should view the syllabus content and describe the purposes of a course based on this syllabus. They are not listed in order of priority. Not all the aims are necessarily subject to formal assessment.

The aims are to enable candidates to:

• make effective use of relevant terminology, concepts and methods, and recognise the strengths and limitations of the ideas used in business
• apply their knowledge and critical understanding to current issues and problems in a wide range of business contexts
• distinguish between facts and opinions, and evaluate qualitative and quantitative data in order to help build arguments and make informed judgements
• appreciate the perspectives of a range of stakeholders in relation to the business environment, individuals, society, government and enterprise
• develop knowledge and understanding of the major groups and organisations within and outside business, and consider ways in which they are able to influence objectives, decisions and activities
• develop knowledge and understanding of how the main types of businesses are organised, financed and operated, and how their relations with other organisations, consumers, employees, owners and society are regulated
• develop skills of numeracy, literacy, enquiry, selection and use of relevant sources of information, presentation and interpretation
• develop an awareness of the nature and significance of innovation and change within the context of business activities.
### Content

All candidates study the following topics.

<table>
<thead>
<tr>
<th>Section</th>
<th>Topics</th>
</tr>
</thead>
</table>
| **1 Understanding business activity** | • Business activity  
  • Classification of businesses  
  • Enterprise, business growth and size  
  • Types of business organisation  
  • Business objectives and stakeholder objectives |
| **2 People in business**       | • Motivating workers  
  • Organisation and management  
  • Recruitment, selection and training of workers  
  • Internal and external communication |
| **3 Marketing**                | • Marketing, competition and the customer  
  • Market research  
  • Marketing mix  
  • Marketing strategy |
| **4 Operations management**    | • Production of goods and services  
  • Costs, scale of production and break-even analysis  
  • Achieving quality production  
  • Location decisions |
| **5 Financial information and decisions** | • Business finance: needs and sources  
  • Cash-flow forecasting and working capital  
  • Income statements  
  • Balance sheets  
  • Analysis of accounts |
| **6 External influences on business activity** | • Government economic objectives and policies  
  • Environmental and ethical issues  
  • Business and the international economy |

### Teacher support for Cambridge IGCSE Business Studies

We provide a wide range of support resources to give your learners the best possible preparation for Cambridge programmes and qualifications. Support for IGCSE Business Studies includes a Teacher Guide, a Scheme of Work and Example Candidate Responses. These and other resources are available online through Teacher Support at [https://teachers.cie.org.uk](https://teachers.cie.org.uk)
Assessment

All candidates take two components, Paper 1 and Paper 2.

<table>
<thead>
<tr>
<th>All candidates take:</th>
<th>and:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paper 1</strong></td>
<td><strong>Paper 2</strong></td>
</tr>
<tr>
<td>1 hour 30 minutes</td>
<td>1 hour 30 minutes</td>
</tr>
<tr>
<td>Written paper</td>
<td>Written paper</td>
</tr>
<tr>
<td>80 marks</td>
<td>50%</td>
</tr>
<tr>
<td>Four questions requiring a mixture of short answers and structured data responses</td>
<td>Four questions based on a case study, provided as an Insert with the paper</td>
</tr>
<tr>
<td>Candidates answer all questions</td>
<td>Candidates answer all questions</td>
</tr>
<tr>
<td>Externally assessed</td>
<td>Externally assessed</td>
</tr>
</tbody>
</table>
3 Subject content

In all of the following, candidates are required to apply their understanding to a variety of simple business situations. Candidates should be able to make simple decisions based upon the analysis and evaluation of information provided.

1 Understanding business activity

1.1 Business activity

1.1.1 The purpose and nature of business activity:
- Concepts of needs, wants, scarcity and opportunity cost
- Importance of specialisation
- Purpose of business activity
- The concept of adding value and how added value can be increased

1.2 Classification of businesses

1.2.1 Business activity in terms of primary, secondary and tertiary sectors:
- Basis of business classification, e.g. by using examples
- Reasons for the changing importance of business classification, e.g. in developed and developing economies

1.2.2 Classify business enterprises between private sector and public sector in a mixed economy

1.3 Enterprise, business growth and size

1.3.1 Enterprise and entrepreneurship:
- Characteristics of successful entrepreneurs
- Contents of a business plan and how business plans assist entrepreneurs
- Why and how governments support business start-ups, e.g. grants, training

1.3.2 The methods and problems of measuring business size:
- Methods of measuring business size, e.g. number of people employed, value of output, capital employed *(profit is not a method of measuring business size)*
- Limitations of methods of measuring business size

1.3.3 Why some businesses grow and others remain small:
- Why the owners of a business may want to expand the business
- Different ways in which businesses can grow
- Problems linked to business growth and how these might be overcome
- Why some businesses remain small

1.3.4 Why some (new or established) businesses fail:
- Causes of business failure, e.g. lack of management skills, changes in the business environment
- Why new businesses are at a greater risk of failing
1.4 Types of business organisation

1.4.1 The main features of different forms of business organisation:

- Sole traders, partnerships, private and public limited companies, franchises and joint ventures
- Differences between unincorporated businesses and limited companies
- Concepts of risk, ownership and limited liability
- Recommend and justify a suitable form of business organisation to owners/management in a given situation
- Business organisations in the public sector, e.g. public corporations

1.5 Business objectives and stakeholder objectives

1.5.1 Businesses can have several objectives – and the importance of these can change:

- Need for business objectives and the importance of them
- Different business objectives, e.g. survival, growth, profit and market share
- Objectives of social enterprises

1.5.2 The role of stakeholder groups involved in business activity:

- Main internal and external stakeholder groups
- Objectives of different stakeholder groups
- Use examples to illustrate these objectives and how they might conflict

1.5.3 Demonstrate an awareness of the differences in the aims and objectives of private sector and public sector enterprises
2 People in business

2.1 Motivating workers

2.1.1 The importance of a well-motivated workforce:
- Why people work and what motivation means
- The concept of human needs – Maslow’s hierarchy
- Key motivational theories: Taylor and Herzberg

2.1.2 Methods of motivation:
- Financial and non-financial rewards and methods
- Recommend and justify appropriate method(s) of motivation in given circumstances

2.2 Organisation and management

2.2.1 Draw, interpret and understand simple organisational charts:
- Simple hierarchical structures: span of control, hierarchy, chain of command and delegation
- Roles, responsibilities and inter-relationships between people in organisations

2.2.2 The role of management:
- Functions of management – planning, organising, co-ordinating, commanding and controlling
- Importance of delegation; trust versus control

2.2.3 Leadership styles:
- Features of the main leadership styles – autocratic, democratic and laissez-faire
- Recommend and justify an appropriate leadership style in given circumstances

2.2.4 Trade unions:
- What a trade union is and the benefits of workers being union members
2.3 Recruitment, selection and training of workers

2.3.1 The methods of recruiting and selecting workers:
- Recruitment and selection
- Difference between internal and external recruitment
- Main stages in recruitment and selection of staff
- Benefits and limitations of part-time and full-time workers

2.3.2 The importance of training and the methods of training:
- Importance of training to a business and workers
- Benefits and limitations of induction training, on-the-job training and off-the-job training

2.3.3 Why reducing the size of the workforce might be necessary:
- Difference between dismissal and redundancy with examples to illustrate the difference
- Understand situations in which downsizing the workforce might be necessary, e.g. automation or reduced demand for products
- Recommend and justify which workers to recruit/make redundant in given circumstances

2.3.4 Legal controls over employment issues and their impact on employers and employees:
- Legal controls over employment contracts, unfair dismissal, discrimination, health and safety, legal minimum wage

2.4 Internal and external communication

2.4.1 Why effective communication is important and the methods used to achieve it:
- Effective communication and its importance to business
- Benefits and limitations of different communication methods including those based on information technology (IT)
- Recommend and justify which communication method to use in given circumstances

2.4.2 Demonstrate an awareness of communication barriers:
- How communication barriers arise and problems of ineffective communication; how communication barriers can be reduced or removed
3  Marketing

3.1  Marketing, competition and the customer

3.1.1  The role of marketing:
- Identifying customer needs
- Satisfying customer needs
- Maintaining customer loyalty; building customer relationships

3.1.2  Market changes:
- Why customer/consumer spending patterns may change
- The power and importance of changing customer needs
- Why some markets have become more competitive
- How business can respond to changing spending patterns and increased competition

3.1.3  Concepts of niche marketing and mass marketing:
- Benefits and limitations of each approach to marketing

3.1.4  How and why market segmentation is undertaken:
- How markets can be segmented, e.g. according to age, socio-economic grouping, location, gender
- Potential benefits of segmentation to business
- Recommend and justify an appropriate method of segmentation in given circumstances

3.2  Market research

3.2.1  The role of market research and methods used:
- Market-orientated businesses (uses of market research information to a business)
- Primary research and secondary research (benefits and limitations of each)
- Methods of primary research, e.g. postal questionnaire, online survey, interviews, focus groups; the need for sampling
- Factors influencing the accuracy of market research data

3.2.2  Presentation and use of market research results:
- Analyse market research data shown in the form of graphs, charts and diagrams; draw simple conclusions from such data
3.3 Marketing mix

3.3.1 Product:
- The costs and benefits of developing new products
- Brand image – impact on sales and customer loyalty
- The role of packaging
- The product life cycle: main stages and extension strategies; draw and interpret a product life cycle diagram
- How stages of the product life cycle can influence marketing decisions, e.g. promotion and pricing decisions

3.3.2 Price:
- Pricing methods: cost plus, competitive, penetration, skimming and promotional; their benefits and limitations
- Recommend and justify an appropriate pricing method in given circumstances
- Understand the significance of price elasticity: difference between price elastic demand and price inelastic demand; importance of the concept in pricing decisions (knowledge of the formula and calculations of PED will not be examined)

3.3.3 Place – distribution channels:
- Advantages and disadvantages of different channels
- Recommend and justify an appropriate distribution channel in given circumstances

3.3.4 Promotion:
- The aims of promotion
- Different forms of promotion and how they influence sales, e.g. advertising, sales promotion
- The importance of the marketing budget in making promotion decisions; need for cost effectiveness in spending the marketing budget

3.3.5 Technology and the marketing mix:
- Define and explain the concept of e-commerce
- The opportunities and threats of e-commerce to business and consumers
- Use of the internet and social networks for promotion
3.4 Marketing strategy

3.4.1 Justify marketing strategies appropriate to a given situation:

- Importance of different elements of the marketing mix in influencing consumer decisions in given circumstances
- Recommend and justify an appropriate marketing strategy in given circumstances

3.4.2 The nature and impact of legal controls related to marketing:

- Impact of legal controls on marketing strategy, e.g. misleading promotion, faulty and dangerous goods

3.4.3 The opportunities and problems of entering new markets abroad:

- Growth potential of new markets in other countries
- Problems of entering foreign markets, e.g. cultural differences and lack of knowledge
- Benefits and limitations of methods to overcome such problems, e.g. joint ventures

4 Operations management

4.1 Production of goods and services

4.1.1 The meaning of production:

- Managing resources effectively to produce goods and services
- Difference between production and productivity
- Benefits of increasing efficiency and how to increase it, e.g. increasing productivity by automation and technology, improved labour skills
- Why businesses hold inventories (stocks)
- Concept of lean production; how to achieve it, e.g. just-in-time inventory control and Kaizen; benefits of lean production

4.1.2 The main methods of production:

- Features, benefits and limitations of job, batch and flow production
- Recommend and justify an appropriate production method for a given situation

4.1.3 How technology has changed production methods, e.g. using computers in manufacturing and design
4.2 Costs, scale of production and break-even analysis

4.2.1 Identify and classify costs:
- Classifying costs – fixed, variable, average, total; use examples to illustrate these
- Use cost data to help make simple cost-based decisions, e.g. to stop production or continue

4.2.2 Economies and diseconomies of scale:
- The concepts of economies and diseconomies of scale; examples of both

4.2.3 Explain, interpret and use a simple break-even chart:
- The concept of break even
- Construct, complete or amend a simple break-even chart
- Interpret a given chart and use it to analyse a situation
- Use a chart to help make simple decisions, e.g. impact of higher price
- Understand the limitations of break-even charts

4.3 Achieving quality production

4.3.1 Why quality is important and how quality production might be achieved:
- What quality means; why it is important for all businesses
- Concept of quality control and how businesses implement quality control
- The concept of quality assurance

4.4 Location decisions

4.4.1 The main factors influencing the location and relocation decisions of a business:
- Factors relevant to the location decision of manufacturing businesses and service businesses
- Factors that a business could consider when deciding which country to locate operations in
- The role of legal controls on location decisions
- Recommend and justify an appropriate location for a business in given circumstances
5 Financial information and decisions

5.1 Business finance: needs and sources

5.1.1 The need for business finance:
- The main reasons why businesses need finance, e.g. start-up capital, capital for expansion and additional working capital
- Understand the difference between short-term and long-term finance needs

5.1.2 The main sources of capital:
- Internal sources and external sources with examples
- Short-term and long-term sources with examples, e.g. debt or equity for long-term finance
- Importance of micro-finance in developing economies
- The main factors considered in making the financial choice, e.g. size and legal form of business, amount required, length of time, existing loans
- Recommend and justify appropriate source(s) of finance in given circumstances

5.2 Cash-flow forecasting and working capital

5.2.1 The importance of cash and of cash-flow forecasting:
- Why cash is important to a business
- What a cash-flow forecast is, how a simple one is constructed and the importance of it
- Amend or complete a simple cash-flow forecast
- How to interpret a simple cash-flow forecast
- How a short-term cash-flow problem might be overcome, e.g. increasing loans, delaying payments, asking debtors to pay more quickly

5.2.2 Working capital:
- The concept and importance of working capital

5.3 Income statements

5.3.1 What profit is and why it is important:
- How a profit is made
- Importance of profit to private sector businesses, e.g. reward for risk taking/enterprise, source of finance
- Difference between profit and cash

5.3.2 Income statements:
- Main features of an income statement, e.g. revenue, cost of sales, gross profit, profit (‘profit’ was known as ‘net profit’ in the 2014 and previous syllabuses) and retained profit
- Use simple income statements in decision making based on profit calculations (constructing income statements will not be examined)
5.4 Balance sheets

5.4.1 The main elements of a balance sheet:
- The main classifications of assets and liabilities
- Examples to illustrate these classifications

5.4.2 Interpret a simple balance sheet and make deductions from it, e.g. how a business is financing its activities and what assets it owns, sale of inventories to raise finance (constructing balance sheets will not be examined)

5.5 Analysis of accounts

5.5.1 How to interpret financial statements by calculating and analysing accounting ratios:
- Gross profit margin
- Profit margin ('profit margin' was known as 'net profit margin' in the 2014 and previous syllabuses)
- Return on Capital Employed
- Current ratio
- Acid test ratio

5.5.2 Liquidity:
- The concept and importance of liquidity

5.5.3 Why and how accounts are used:
- Needs of different users of accounts and ratio analysis
- How users of accounts and ratio results might use information to help make decisions, e.g. whether to lend to or invest in the business
6 External influences on business activity

6.1 Government economic objectives and policies

6.1.1 How government control over the economy affects business activity:

• Government economic objectives, e.g. increasing Gross Domestic Product (GDP)
• Main stages of the business cycle; growth, boom, recession, slump
• How changes in taxes and government spending can affect business activity
• How changes in interest rates can affect business activity
• How businesses might respond to these changes

6.2 Environmental and ethical issues

6.2.1 Environmental concerns and ethical issues as both opportunities and constraints for businesses:

• How business activity can impact on the environment, e.g. global warming
• The concept of externalities; possible external costs and external benefits of business decisions
• Sustainable development – how business activity can contribute to this
• How/why business might respond to environmental pressures and opportunities; pressure groups
• The role of legal controls over business activity affecting the environment, e.g. pollution controls
• Ethical issues a business might face; conflicts between profits and ethics
• How business might react and respond to ethical issues, e.g. child labour

6.3 Business and the international economy

6.3.1 The importance of globalisation:

• The concept of globalisation and the reasons for it
• Opportunities and threats of globalisation for businesses
• Why some governments might introduce import tariffs and quotas

6.3.2 Reasons for the importance and growth of multinational companies (MNCs):

• Benefits to a business of becoming a multinational
• Potential benefits to a country and/or economy where a MNC is located, e.g. jobs, exports, increased choice, investment
• Potential drawbacks to a country and/or economy where a MNC is located, e.g. reduced sales of local businesses, repatriation of profits

6.3.3 The impact of exchange rate changes:

• Depreciation and appreciation of an exchange rate
• How exchange rate changes can affect businesses as importers and exporters of products, e.g. prices, competitiveness, profitability (exchange rate calculations will not be examined)
4 Details of the assessment

For information on the Assessment objectives (AOs), see Section 5.

Paper 1

Written paper, 1 hour 30 minutes, 80 marks

Written examination consisting of four questions requiring a mixture of short answers and structured data responses.

Candidates answer all questions.

Paper 2

Written paper, 1 hour 30 minutes, 80 marks

Written examination consisting of four questions based on a case study, provided as an Insert with the paper.

Candidates answer all questions.
5 Assessment objectives

The assessment objectives (AOs) are:

AO1 Knowledge and understanding

Candidates should be able to:

- demonstrate knowledge and understanding of facts, terms, concepts, conventions, theories and techniques commonly applied to or used as part of business behaviour.

AO2 Application

Candidates should be able to:

- apply their knowledge and understanding of facts, terms, concepts, conventions, theories and techniques.

AO3 Analysis

Candidates should be able to:

- distinguish between evidence and opinion in a business context
- order, analyse and interpret information in narrative, numerical and graphical forms, using appropriate techniques.

AO4 Evaluation

Candidates should be able to:

- present reasoned explanations, develop arguments, understand implications and draw inferences
- make judgements, recommendations and decisions.
Weighting for assessment objectives

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

### Assessment objectives as a percentage of the qualification

<table>
<thead>
<tr>
<th>Assessment objective</th>
<th>Weighting in IGCSE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>AO1 Knowledge and understanding</td>
<td>30</td>
</tr>
<tr>
<td>AO2 Application</td>
<td>30</td>
</tr>
<tr>
<td>AO3 Analysis</td>
<td>20</td>
</tr>
<tr>
<td>AO4 Evaluation</td>
<td>20</td>
</tr>
</tbody>
</table>

### Assessment objectives as a percentage of each component

<table>
<thead>
<tr>
<th>Assessment objective</th>
<th>Weighting in components %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Paper 1</td>
</tr>
<tr>
<td>AO1 Knowledge and understanding</td>
<td>40</td>
</tr>
<tr>
<td>AO2 Application</td>
<td>30</td>
</tr>
<tr>
<td>AO3 Analysis</td>
<td>15</td>
</tr>
<tr>
<td>AO4 Evaluation</td>
<td>15</td>
</tr>
</tbody>
</table>
## 6 International accounting terminology

<table>
<thead>
<tr>
<th>International usage (used by Cambridge IGCSE from 2015)</th>
<th>UK usage (used by Cambridge IGCSE before 2015 examinations)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet</td>
<td>Balance sheet</td>
</tr>
<tr>
<td>Bank loans</td>
<td>Loans repayable after 12 months</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>Loans repayable within 12 months</td>
</tr>
<tr>
<td>Capital or shareholders’ equity</td>
<td>Capital</td>
</tr>
<tr>
<td>Cash</td>
<td>Bank and cash</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>Cost of goods sold</td>
</tr>
<tr>
<td>Current assets</td>
<td>Current assets</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>Current liabilities / Creditors: amounts due within 12 months</td>
</tr>
<tr>
<td>Finance costs</td>
<td>Interest payable</td>
</tr>
<tr>
<td>Financial statements</td>
<td>Final accounts</td>
</tr>
<tr>
<td>Gross profit</td>
<td>Gross profit</td>
</tr>
<tr>
<td>Income statement</td>
<td>Trading and profit and loss account</td>
</tr>
<tr>
<td>Inventory</td>
<td>Stock</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>Fixed assets</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>Long-term liabilities / Creditors: amounts falling due after more than one year</td>
</tr>
<tr>
<td>Profit</td>
<td>Net profit</td>
</tr>
<tr>
<td>Raw materials</td>
<td>Purchases</td>
</tr>
<tr>
<td>Revenue</td>
<td>Sales</td>
</tr>
<tr>
<td>Share capital</td>
<td>Share capital</td>
</tr>
<tr>
<td>Trade payables</td>
<td>Creditors</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>Debtors</td>
</tr>
<tr>
<td>Work in progress</td>
<td>Work in progress</td>
</tr>
</tbody>
</table>
7 What else you need to know

This section is an overview of other information you need to know about this syllabus. It will help to share the administrative information with your exams officer so they know when you will need their support. Find more information about our administrative processes at www.cie.org.uk/examofficers

Before you start

Previous study

We do not expect learners starting this course to have previously studied business studies. Learners in England will normally have followed the Key Stage 3 programme of study within the National Curriculum for England.

Guided learning hours

Cambridge IGCSE syllabuses are designed on the assumption that learners have about 130 guided learning hours per subject over the duration of the course, but this is for guidance only. The number of hours required to gain the qualification may vary according to local curricular practice and the learners’ prior experience of the subject.

Total qualification time

This syllabus has been designed on the assumption that the total qualification time per subject will include both guided learning and independent learning activities. The estimated number of guided learning hours for this syllabus is 130 hours over the duration of the course. The total qualification time for this syllabus has been estimated to be approximately 200 hours. These values are guidance only. The number of hours required to gain the qualification may vary according to local curricular practice and the learners’ prior experience of the subject.

Availability and timetables

You can enter candidates in the June and November exam series. If your school is in India, you can enter candidates in the March exam series. You can view the timetable for your administrative zone at www.cie.org.uk/timetables

Private candidates can enter for this syllabus.

Combining with other syllabuses

Candidates can take this syllabus alongside other Cambridge syllabuses in a single exam series. The only exceptions are:

• syllabuses with the same title at the same level.

Cambridge IGCSE, Cambridge IGCSE (9–1) (Level 1/Level 2 Certificates) and Cambridge O Level syllabuses are at the same level.

Group awards: Cambridge ICE

Cambridge ICE (International Certificate of Education) is a group award for Cambridge IGCSE. It allows schools to offer a broad and balanced curriculum by recognising the achievements of learners who pass examinations in a range of different subjects.

Learn more about Cambridge ICE at www.cie.org.uk/cambridgesecondary2
Making entries

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

Option codes for entries

To keep our exams secure we allocate all Cambridge schools to one of six administrative zones. Each zone has a specific timetable. The majority of option codes have two digits:

- the first digit is the component number given in the syllabus
- the second digit is the location code, specific to an administrative zone.

Support for exams officers

We know how important exams officers are to the successful running of exams. We provide them with the support they need to make your entries on time. Your exams officer will find this support, and guidance for all other phases of the Cambridge Exams Cycle, at www.cie.org.uk/examsofficers

Retakes

Candidates can retake the whole qualification as many times as they want to. This is a linear qualification so candidates cannot re-sit individual components.

Equality and inclusion

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

The standard assessment arrangements may present unnecessary barriers for candidates with disabilities or learning difficulties. We can put arrangements in place for these candidates to enable them to access the assessments and receive recognition of their attainment. We do not agree access arrangements if they give candidates an unfair advantage over others or if they compromise the standards being assessed.

Candidates who cannot access the assessment of any component may be able to receive an award based on the parts of the assessment they have completed.

Information on access arrangements is in the Cambridge Handbook at www.cie.org.uk/examsofficers

Language

This syllabus and the related assessment materials are available in English only.
After the exam

Grading and reporting

Grades A*, A, B, C, D, E, F or G indicate the standard a candidate achieved at Cambridge IGCSE.

A* is the highest and G is the lowest. ‘Ungraded’ means that the candidate’s performance did not meet the standard required for grade G. ‘Ungraded’ is reported on the statement of results but not on the certificate. In specific circumstances your candidates may see one of the following letters on their statement of results:

- Q (result pending)
- X (no result)
- Y (to be issued)

These letters do not appear on the certificate.

Regulation

Cambridge International Level 1/Level 2 Certificates are regulated in England, Wales and Northern Ireland. This syllabus is included in the Register of Regulated Qualifications as a Cambridge International Level 1/Level 2 Certificate.

Candidates awarded grades D to G have achieved an award at Level 1 of the Regulated Qualifications Framework. Candidates awarded grades A* to C have achieved an award at Level 2 of the Regulated Qualifications Framework.

For the most up-to-date information on the performance tables, including the list of qualifications which count towards the English Baccalaureate, please go to the Department for Education website and search on ‘performance tables’.
Grade descriptions

Grade descriptions are provided to give an indication of the standards of achievement candidates awarded particular grades are likely to show. Weakness in one aspect of the examination may be balanced by a better performance in some other aspect.

A Grade A Cambridge IGCSE Business Studies candidate will be able to demonstrate:

Knowledge and understanding
- an excellent ability to identify detailed facts, conventions and techniques in relation to the content of the syllabus
- an excellent ability to define the concepts and ideas of the syllabus.

Application
- a thorough ability to apply knowledge and understanding, using terms, concepts, theories and methods effectively to address business problems and issues
- a thorough ability to form conclusions from this information and to demonstrate these conclusions clearly and logically.

Analysis
- an excellent ability to classify and comment on information presented in various forms
- an excellent ability to distinguish between evidence and opinion.

Evaluation
- an excellent ability to make clear, reasoned judgements and communicate them in an accurate and logical manner.

A Grade C Cambridge IGCSE Business Studies candidate will be able to demonstrate:

Knowledge and understanding
- a sound ability to identify detailed facts, conventions and techniques in relation to the content of the syllabus
- a sound ability to define the concepts and ideas of the syllabus.

Application
- a sound ability to apply knowledge and understanding, using terms, concepts, theories and methods appropriately to address problems and issues
- a sound ability to draw conclusions, and to present these in a clear manner.

Analysis
- a sound ability to use and comment on information presented in various forms
- a sound ability to distinguish between evidence and opinion.

Evaluation
- a sound ability to evaluate and make reasoned judgements.
A Grade F Cambridge IGCSE Business Studies candidate will be able to demonstrate:

**Knowledge and understanding**
- a limited ability to identify specific facts, conventions or techniques in relation to the content of the syllabus
- a limited familiarity with definitions of the central concepts and ideas of the syllabus.

**Application**
- a limited ability to apply knowledge and understanding, using terms, concepts, theories and methods appropriately to address problems and issues.

**Analysis**
- a limited ability to classify and present data in a simple way and a limited ability to select relevant information from a set of data
- a limited ability to distinguish between evidence and opinion.

**Evaluation**
- a limited ability to understand implications and make recommendations.
Changes to this syllabus for 2017, 2018 and 2019

The syllabus has been updated. The latest syllabus is version 2, published September 2016

This document has been refreshed and rebranded. The subject content and the specimens remain the same.

Minor changes to the wording of some sections have been made to improve clarity.

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

Any textbooks endorsed to support the syllabus for examination from 2015 are still suitable for use with this syllabus.
‘While studying Cambridge IGCSE and Cambridge International A Levels, students broaden their horizons through a global perspective and develop a lasting passion for learning.’

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