

Pearson LCCI Level 2 Certificate in

Business Fundamentals (ASE20300)



TEACHER'S GUIDE



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TEACHER'S GUIDE

Introduction

Welcome to the **Teacher's Guide for Pearson LCCI Level 2 Certificate in Business Fundamentals (ASE20300)**. We are delighted that you are interested in teaching this new qualification in the LCCI Business suite. We have provided this free resource written by subject experts to support your delivery of the specification. It was created to support both new and existing LCCI teachers and is based on the content of the specification. It is essential that you familiarise yourself with the full requirements of the specification. **This guide is purely for support purposes and is not designed to be a substitute for the specification itself.**

We encourage you to check the [Pearson website](#) for further information about LCCI qualifications.

1

Specification overview

All of the new specifications have been designed in the same way to allow for comparability and ease of understanding across the LCCI portfolio.

Here you can see an example of how the content in the new specifications are organised.

Content

To prepare students for the final assessment of this qualification, the following content must be covered.

1. The business environment

Subject content	What students need to learn
1.1 The purpose of business activity	<p>Understand how businesses operate to meet the demands of the consumer and achieve business objectives.</p> <ul style="list-style-type: none"> • The purpose of business activity: <ul style="list-style-type: none"> ○ combine factors of production (labour, land, capital, enterprise/entrepreneurship) ○ add value to products ○ satisfy consumer demand ○ satisfy customer needs ○ meet business objectives. • The main features of a competitive market: <ul style="list-style-type: none"> ○ buyers ○ sellers ○ profit motive.

The content is broken down into **topic headings**. In this example, the topic heading can be seen at the top of the page, labelled 1. The business environment.

Each topic heading is divided into **subject content** and are labelled with numbers. In this example, the subject content is shown on the left of the table, labelled 1.1 The purpose of business activity.

The subject content is further subdivided into **specific content** items that students need to learn and will be assessed in the examination. These items are preceded by a **rider statement** (discussed later in this section) and the specific content is shown as bulleted lists. The solid bullet points indicate what students need to know and the hollow bullet points indicate the specific content required. From the above, one example that learners need to know is The main features of a competitive market, which can be broken down further to cover buyers, sellers and profit motive only.

Note: Many of the new specifications have a content topic on legal and ethical considerations. Please note that when teaching this topic, although learners must be aware of relevant legislation, regulations and codes of practice, the specific names, dates and sections of these will not be assessed in the examination.

Rider statements

Each subject content area has a heading followed by a rider statement. The rider statements in the specification outlines the breadth and depth of the content. It details what the student needs to know and/or be able to demonstrate in the examination. It will be expressed in sentence case (not bullet points) and will be followed by the specific content to support the statement to which it relates. In the previous example you saw when exploring the specification structure and format, the rider statement can be clearly seen at the top right of the table:

Understand how businesses operate to meet the demands of the consumer and achieve business objectives.

Specification terminology

In order to understand the breadth and depth of what needs to be taught and learned, the below provides a brief explanation of each of the typical terms which can be found in the rider statements for this qualification.

In the Level 2 Business Fundamentals specification, two are used:

Understand Rider statements which start with the word 'understand' require learners to explain business principles and practices by providing specific examples or with reference to a specific business case study or scenario.

Know Rider statements which start with the word 'know' require learners to memorise certain key facts which provide the basis of further exploration in other sections of the specification.

2

Content

This qualification is split into **five** content (topic) areas. These content areas can be found on the 'Specification at a glance' page of each specification. For this qualification, the content areas are:

1. The business environment
2. Communication and the customer
3. Management information systems and business documentation
4. Business policies
5. Personal skills and performance

In this section, there is an overview of each content area which provides a summary of the approach that could be taken when teaching the content. This introduction is then followed by a table which covers:

- The outcomes of each subject content area which learners will need to know once they have completed the topic;
- A set of sequenced teaching activities which build upon learners' knowledge and understanding of the subject matter;
- Suggested classroom activities that can be completed by the learners;
- Suggested homework tips.

1 The business environment

In commencing Topic 1, it would be useful for your learners to have a broad understanding of the scope and scale of the Level 2 Business Fundamentals specification. You might like to consider providing a brief overview of the specification content and how the learners will be assessed. This would provide a useful context to Topic 1, *The business environment*.

It is always useful to start the teaching programme by focusing upon the experience of the students. In this topic, you could ask them to consider:

- Their most recent purchases;
- The criteria they prioritised when making their purchasing decisions (price, quality, reliability, advertising and brand image) which could lead on to the notion of a competitive market;
- They could then list the businesses that they have used, identify their common features and objectives and classify them in terms of different types.

You could take any of these businesses and identify:

- How they are structured and organised into departments;
- The functions of each department.

You could then build upon this understanding by introducing the concept of business stakeholders and their needs and interests.

Next introduce the concept of *business enterprise*:

- Its characteristics such as innovation;
- Taking risks.

This can be followed-up by:

- Introducing the importance of business planning;
- How business plans can be informed by the outcome of a SWOT analysis;
- The importance of information technology in business operations.

The learners will then be introduced to the main sources of business finance which can support the business plan:

- The relationship between financial record-keeping;
- The information contained in two of the main financial statements;
 - » The statement of comprehensive income;
 - » The statement of financial position.

Specific content	Outcomes	Suggested teaching	Activities
<p>1.1 The purpose of business activity</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand how businesses operate to meet the demands of the consumer and achieve business objectives.</i></p>	<ol style="list-style-type: none"> 1. Prepare a short presentation on the five areas covered by the specification and how the learners will be assessed. 2. Ask the students to prepare a list of four products they have purchased in the last week and the criteria they used to make their purchasing decisions (they could tabulate their results); link this to the concept of a competitive market and its main features. Draw out from the discussion the implications for the business of operating in a competitive market. 3. The characteristics of successful entrepreneurs – show video clips of successful entrepreneurs and their innovations and their role, risks and rewards, in relation to their business enterprise. 4. From the table, ask the students to draw out the main features, purpose of business activity and the main objectives of business. 5. Return to the products purchased by the students and ask them to identify some of the common features of these products – lead into the notion of factors of production and their role in the production of goods and services. 6. Complete a summary of the main learning points completed in the topic and map against the specification to ensure all the points are covered. <ul style="list-style-type: none"> • Ask targeted questions to confirm understanding • Test students' understanding of subject matter (students can mark their own work) • Provide feedback on homework tasks • Address any issues raised from homework tasks. 	<p>Students commence an on-going glossary of recording key business terms with definitions.</p> <p>Tabulate the reasons for purchasing decisions.</p> <p>Participate in class discussion.</p> <p>Discuss the implications for the business of operating in a competitive market.</p> <p>On-line research to find examples of business plans.</p> <p>Watch extracts from TV programmes of entrepreneurs seeking investment for their business ideas (students to identify and take notes of the characteristics of a successful business pitch for business finance).</p> <p>Homework tips</p> <ul style="list-style-type: none"> • Revision for short test • Update glossary of terms • Sample examination questions (Short 'explain' or 'describe' questions).

<p>1.2 Types of business organisation</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Know the key features, differences between, and advantages and disadvantages of the main types of business organisation.</i></p>	<ol style="list-style-type: none"> 1. Students to undertake research into the businesses in the local economy; these should be classified by size, type and products/services offered. 2. Use the source material prepared by the students to classify the businesses further in terms of their ownership - public and private sectors. 3. Use the source material prepared by the students to classify the businesses further in terms of their ownership, which should link to the concept and implications of limited and unlimited liability. 4. Use the source material prepared by the students to classify the businesses further in terms of the key features of different types of business and their advantages and disadvantages (pay particular attention to the implications of limited and unlimited liability). 5. Identify national organisations in the public sector which can be classified as public corporations identifying their features, advantages and disadvantages. 6. Provide examples of how the students could apply their knowledge in different business scenarios. 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Complete a research task to identify different businesses in the local economy; classify the business by size and products/services offered.</p> <p>Use the research material to complete a range of tasks relating to the classification of businesses by ownership; advantages and disadvantages.</p> <p>Homework tips Undertake research on a public corporation in the public sector: Identify its features; advantages and disadvantages.</p> <p>Complete exam-type question relating to Assessment Objective 2 (AO2) <i>Demonstrate understanding.</i></p>
<p>1.3 Business departments</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand how businesses are structured and how the main departments contribute to business objectives.</i></p>	<ol style="list-style-type: none"> 1. Divide the class into pairs and allocate a business organisation to each pair. Students will be required to investigate the internal departmental structure of the business. 2. When the students have completed their research they use flip charts to record their findings. Teacher highlights: <ol style="list-style-type: none"> (i) the main departments within a business (ii) the main purpose and features of an organisational structure. <p>Teacher to provide examples of job roles and the span of control.</p> 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Research on individual business organisations allocated by the teacher.</p> <p>Individual presentations on research findings.</p> <p>Learners to devise a set of ten questions:</p> <p>Group 1: ten questions on the types of business ownership.</p>

		<ol style="list-style-type: none"> Using the same groupings, allocate each of the four main departments (marketing, production, finance, human resources). Using the example of a new product, each group to identify how their allocated department contributes to the successful launch of the product. Teacher reinforces the business objectives covered in Section 1.1 (profits; sales revenue; market share; cost control); class discussion regarding the contribution of each department to each objective. <ul style="list-style-type: none"> Ask targeted questions to confirm understanding Test students' understanding of subject matter Provide feedback on homework tasks Address any issues raised from homework tasks. 	<p>Group 2: ten questions on the structure of business organisations.</p> <p>Groups ask each other their questions.</p> <p>Confirm the answers and ask targeted questions to confirm understanding.</p> <p>Homework tips Exam type question which requires the students to describe how individual departments contribute to business objectives.</p> <p>Revision to prepare for a short class test.</p>
<p>1.4 Business stakeholders</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the main business stakeholders and their influence on a business, and how corporate social responsibility initiatives can contribute towards meeting the needs and interests of different stakeholder groups.</i></p>	<ol style="list-style-type: none"> Ask students to consider the type of groups affected by the activities of a business (and therefore these groups have a stake in these activities). Provide examples of how each group may be affected. List their suggestions onto a flip chart. Ask the students to classify these stakeholder groups as internal or external stakeholders. Using the same table add another column to provide examples of the influence of stakeholders. Return to the concept of Corporate Social Responsibility (CSR) as a business objective (this will have been introduced in Section 1.1 and developed in Section 1.3). Students undertake research to provide examples of how businesses promote corporate social responsibility. Teacher-led class discussion on the impact of corporate social responsibility (on a business's objectives). 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Class discussion.</p> <p>Individual presentations.</p> <p>Short tests of factual recall.</p> <p>Homework tips Complete exam-type question relating to Assessment Objective 3 (AO3) Apply concepts.</p> <p>For example, a question which tests a student's ability to identify how different CSR initiatives contribute to the needs and interests of specific stakeholder groups.</p>

<p>1.5 Business planning and performance</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the purpose of business planning, a business plan and how the performance of a business can be measured.</i></p>	<ol style="list-style-type: none"> 1. Divide the group into pairs and allocate a business organisation to each group (teacher to choose the business organisations and appropriate research sources). 2. All groups to list three objectives of the business. Allocate half the groups to consider the strengths of the business and half the group to consider the weaknesses. Record their findings onto a flip chart or whiteboard. 3. Complete the exercise by identifying opportunities and threats. 4. Teacher-led class discussion to identify the difference between internal and external influences in the business environment. Identify the business risks which follow on from the SWOT analysis; the link between business risks and planning. 5. Teacher presentation on the main components of a business plan and the importance of measuring the performance of a business (link this to the business objectives covered in 1.1 and developed in 1.3). 6. Working in pairs, students to identify the ways in which business performance could be measured. Teacher records their findings on a flip chart or whiteboard and leads a class discussion to classify the performance measures into financial and non-financial performance measures. Teacher explains and defines each of the performance measures. 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Complete individual SWOT analysis on a business.</p> <p>Short answer test to confirm understanding.</p> <p>Individual/group presentations of the outcome of a SWOT analysis.</p> <p>Identify the business risks faced by a designated business.</p> <p>Homework tips</p> <p>Prepare a short business plan on behalf of a new enterprise, including business risks and performance measures.</p> <p>Complete exam-type question relating to the four Assessment Objectives based upon a teacher-devised business scenario (See Section Three: Assessment further down).</p> <p>Revision for classroom test.</p>
<p>1.6 The influence of technology on business</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the advantages and disadvantages for businesses of using technology to achieve their objectives</i></p>	<ol style="list-style-type: none"> 1. Review the outcome of business planning homework completed by the students. 2. Teacher-led classroom discussion on the role of the internet and its use by businesses. 3. Students to identify the ways in which the business can communicate with its workforce, customers and suppliers using the internet. 4. Teacher-led presentation focusing upon a case study of the role of the internet in business (See Section 4: Learning Resources). 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Research case studies on how businesses use the internet and the main business software packages.</p> <p>Complete teacher-devised worksheets and tables.</p>

		<ol style="list-style-type: none"> 5. Students provided with a teacher-prepared worksheet and are required to complete the features of the main business software packages and the advantages of technology to a business (link this to the business objectives covered in 1.1 and developed in 1.3). 6. Teacher-led discussion on the disadvantages which may be faced by a business using technology (refer back to the business risks covered in 1.5). 7. Students to complete a teacher-prepared table in which they identify the information requirements of a business (link this to the business objectives covered in 1.1 and 1.3, and business planning and business risks covered in 1.5). 8. Teacher-led presentation on the functions of a management information system (MIS). 	<p>Homework tips</p> <p>Add an additional section to the business plan prepared in 1.5 which identifies how the business could use technology to achieve its business objectives:</p> <ul style="list-style-type: none"> • the internet • business software • the information required by the business to measure its performance.
<p>1.7 Business finance</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand why a business requires finance, the main sources of business finance and the financial statements produced by a business.</i></p>	<ol style="list-style-type: none"> 1. Use the basic business plans produced by the students as the basis for this section of the specification. 2. Students to work in small groups to identify the resource requirements of the business and why they may need business finance for their business (business start-up finance). 3. Teacher-prepared worksheet: students to compare and contrast the needs of a start-up enterprise with established enterprises and why they may need business finance. 4. Teacher-led presentation to identify the internal and external sources of business finance (link this with the work covered in 1.2 Types of business organisations, emphasising the link between public limited companies, shareholders, limited liability and the role of the stock market as a vehicle for raising business finance). 5. Students to undertake individual research to identify examples of crowdfunding for new business start-ups and their innovations (See Section 4: Learning Resources further down). 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Completion of teacher-devised worksheets.</p> <p>Individual research on types of business finance.</p> <p>Homework tips</p> <p>Teacher-prepared worksheet requiring the students to identify the most appropriate source of business finance in different business scenarios (giving reasons for their choice). This will cover Assessment Objective 3 (AO3) <i>Apply concepts</i>.</p> <p>Prepare for classroom test.</p>

		<ol style="list-style-type: none"> 6. Using their own business plans, students identify the financial records that will need to be kept by the business. Follow this up with a teacher-led presentation on the reasons for keeping financial records. 7. Students presented with some basic financial data on costs and revenue and asked to calculate profits (<i>NOTE: the students will not be required to perform calculations in the examination - this task will enable the students to understand the need to prepare financial statements</i>). Teacher presentation on the financial statements (statement of comprehensive income and the statement of financial position) using simplified versions of each of the financial statements. 8. Students presented with a simplified incomplete financial statement and are required to insert the correct financial terms into each of the financial statements (<i>NOTE: students will not be required to complete financial calculations in the examination</i>). 	
<p>1.8 Globalisation</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the influence of globalisation to a business.</i></p>	<ol style="list-style-type: none"> 1. Students to identify their recent purchases or business organisations in the local economy. 2. Classify the businesses on whether they are local, national or international. 3. Tabulate the results and for each classification of business, identify how far they are engaged with the rest of the world (such as products sold, supplies purchased, customer base, characteristics of workforce employed, currency exchange, communication networks - email, websites, social media). 4. Use these results to identify the features of globalisation. 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Teacher-prepared worksheets.</p> <p>Classroom discussions.</p> <p>Making notes on video clips on globalisation issues.</p>

		<ol style="list-style-type: none"> 5. Teacher-led discussion on current issues facing the global economy (trade disputes, impact on local economy - jobs, exploitation of workers and raw materials). 6. Student research on globalisation (See Section 4: Learning Resources further down). 7. Class debate - the advantages and disadvantages of globalisation. 	<p>Homework tips</p> <p>Complete exam-type question relating to the four Assessment Objectives based upon a teacher-devised business scenario (See Section Three: <i>Assessment</i> further down).</p> <p>Revise for a classroom-based timed assessment under examination conditions which cover the content of Section 1 of the specification.</p> <p>Suggest a one hour classroom-based test covering a selection of the types of questions which form the basis of the external examination. (See Section 3: <i>Assessment</i> further down).</p>
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2

Communication and the customer

Having completed Topic 1, students will now have a clear understanding of the internal and external business environment and the range of business objectives which will influence the activities of an enterprise.

In this topic, students will consider the importance of business communication looking particularly at the interactions between the business and its customers.

- Students will be able to provide examples of how types of business communications relate to their own purchasing decisions:
 - » Ask them to consider different 'messages' communicated by a range of different businesses to promote their brand.
 - » The students could then complete research and make presentations on aspects such as brand image and company ethos.

Use the experience of students who are already engaged in the world of work to:

- Consider the importance of communications in a work setting
- Consider the types of interaction between managers and supervisors and the workforce
- Communications with different stakeholder groups.

Students should also understand the disadvantages of the different methods of communications linking these to their effectiveness in getting a message over to specific stakeholder groups.

Focus upon one of the main stakeholder groups – the customers. It is important for students to understand the requirements of internal as well as external customers.

- Link with the role and functions of the departments covered in Topic 1.
- Develop an understanding of the more conventional way of considering customer service in respect of a business's external customers.
- Link into the function and features of customer service and how it impacts upon the operating practices of a business in relation to:
 - » responding to feedback from customers
 - » improvements to business practices, process and products
 - » impact upon business performance which was covered in Topic 1.

Specific content	Outcomes	Suggested teaching	Activities
<p>2.1 Business communication</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the importance of business communication and the advantages and disadvantages of different methods of business communication.</i></p>	<ol style="list-style-type: none"> 1. Start the topic by reinforcing the main learning points from the previous topic. Students to research examples of business literature such as promotional leaflets, websites, literature from own workplace, annual reports and social media campaigns. Students could also be asked to collect examples of business literature before this topic is introduced and bring the literature to the first lesson on this topic. Students will be required to review the literature with regards to message, intended audience, content, purpose. 2. Teacher-led classroom discussion to identify the importance of business communication with reference to the specific items identified in the specification (the management of employees, company ethos etc.). 3. Students to complete review of the literature and highlight the importance of communications in respect of the specification content in 2.1. 4. Working in pairs, the students are asked to consider the most appropriate methods of communication in a variety of different scenarios. The suggestions are compared with other pairs leading on to a teacher-led classroom discussion focused upon the advantages and disadvantages of different methods of business communication. 5. This could be a follow-up of a short scenario in which the students must identify formal and informal business communications. For example, a scenario could be focused upon plans for a restructuring of the business into different work groups or plans to relocate part of the business to another area of the country. 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Review of business literature to identify the features and purpose of such communications.</p> <p>Work in pairs to identify the main methods of communication and identify their respective advantages and disadvantages.</p> <p>Homework tips Complete a series of work-based scenarios to identify informal and formal communications and the characteristics of each.</p>

<p>2.2 Customer service</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the importance of customer service in meeting business objectives.</i></p>	<ol style="list-style-type: none"> 1. Students will be required to identify the importance of customers to the business and the expectations of customers when making purchasing decisions. 2. Students could then be asked to consider a situation where they have received good/poor responses from a business following their own purchasing decisions and identify the characteristics of good/poor customer service. 3. Teacher presentation on the types of customer service provision in relation to both internal and external customers with a follow-up worksheet completed by the students. For example, the students could respond to a series of scenarios to consider how improvements to customer service could be implemented by each of the main departments covered in Topic 1 (The business environment). 4. Students will identify if they have been asked to complete a survey, questionnaire or any other method by which a business obtains customer feedback. Teacher-led presentation identifying the main ways a business obtains feedback; followed by a classroom discussion in which students identify the impact of customer feedback on business performance. 5. Students complete a series of short business scenarios identifying the impact of specific customer feedback on different business objectives. For example, poor quality products could result in fewer sales or word-of-mouth/ social media poor reviews, which could influence the purchasing decisions of other potential customers. 6. Students could also be given some data showing the percentage of customers satisfied/dissatisfied on a 1-4 scale and be asked comment on the data (no calculations would be required). 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Complete business scenarios identifying how the customer service of business departments can impact upon both internal and external customers.</p> <p>Complete worksheets on the potential impact of poor customer service on business objectives in a variety of settings.</p> <p>Complete worksheets which provide information on the information recorded from customer feedback in the form of data or customer comments.</p> <p>Participate in role plays, watch video clips or read through scenarios to identify the features of good and poor customer service.</p> <p>Homework tips Complete exam-type questions relating to the Assessment Objectives based upon a teacher-devised business scenario (See Section Three: <i>Assessment</i> further down).</p>
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		<ol style="list-style-type: none">7. Students participate in short role-play situations (or written scenarios or video clips) of how an individual employee deals with a customer service issue, such as poor-quality service, wrong product delivered, poor quality product.8. Teacher to lead a classroom discussion which emphasises the features of effective business communication with customers.9. Teacher-led presentation covering the main learning points of Topic 2, followed by classroom test with exam-type questions.	
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3

Management information systems and business documentation

In this topic, the students will need to understand:

- The relationship between business objectives, management information and business risks.
- How managing the relationship between these three elements impacts upon the achievement of business objectives and the overall performance of the business.

Remind the students of the work they completed in Topic 1 on the reasons why businesses need to keep financial records.

They will then need to understand:

- How the data collected from financial records generates the information required by managers.

This understanding could be enhanced by:

- Some simple business scenarios can be useful in helping the students understand the role of information in the decision-making process.
- Short case studies based around specific scenarios covering such aspects as:
 - » new product development
 - » withdrawing a product from the product range
 - » the risks inherent in ensuring that the correct decisions are made.
 - » how different departments make use of management information.
 - » the central role played by business objectives in the decision-making process
 - » the main features of a management information system (MIS) and its advantages and disadvantages to the business.

Having covered the wider aspects of management decision-making, you should then introduce the processes involved in sales and purchasing along with the role and features of the key documents. It is important for students to understand that a business will be both a seller and a purchaser of goods and services, and the work they complete in this part of the topic should involve them looking at both aspects of the sales and purchasing process.

Specific content	Outcomes	Suggested teaching	Activities
<p>3.1 Management information systems and business risks</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand why businesses require management information and how it can be used to support decision making and reduce risks in the main departments.</i></p>	<ol style="list-style-type: none"> 1. Initial teacher-led discussion in which students are reminded of the need to keep financial records. 2. Students complete short written exercise on the range of financial information recorded by a business. 3. Students complete a teacher devised worksheet which requires them to complete a table highlighting the information requirements of simple business decisions and the risks involved if the wrong decisions are made. For example, they might be asked to consider whether a customer should be given credit facilities to purchase a high-ticket item sold by a business. 4. This could be followed up by more detailed case studies involving business decisions and the associated business risks and their impact on a business. 5. Students could complete a review of the internal and external business risks which could impact upon business decisions. The teacher could provide them with a range of different scenarios relating to changes in the external environment and how these could impact different businesses. 6. Teacher presentation on the main features of a management information system (MIS). Students undertake research to show how a business utilises an MIS. For example, they could view video clips or conduct online research which could be reported back to the class in the form of individual presentations. Included in this research could be the disadvantages of operating a management information system (MIS), including costs and security breaches. 7. The teacher should remind students of the work they have covered in Topic 1 on the role and functions of the main business departments. A short classroom based test would be useful at this stage. 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Students complete a worksheet on business decisions and associated risks followed by classroom discussion.</p> <p>Case studies on business decisions with students working in small groups and presenting their findings to the rest of the class detailing:</p> <p>The present issue faced by the business, for example the decision to relocate to new businesses premises or expand on its existing premises.</p> <p>Students discuss:</p> <ul style="list-style-type: none"> • The decision which needs to be made • The information required • The risks of making the wrong choice • Any external influences which will impact upon the decision. <p>Make notes on teacher presentations.</p> <p>Homework tips</p> <p>Students consider whether a business should launch a new product or keep with its existing product portfolio. Students identify the management information required by each of the departments to contribute towards the final decision.</p>

		<p>8. The class could be divided into four groups with each group considering the advantages of a management information system (MIS) from the perspective of different departments linked to the type of decisions which are taken by business departments. The results could be shared with the rest of the class with a final teacher presentation to confirm the main teaching points.</p>	
<p>3.2 Sales and purchasing documents</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the purpose and preparation of sales and purchasing documents, checking their accuracy, highlighting errors and making amendments as needed.</i></p>	<ol style="list-style-type: none"> 1. Students to consider a purchase they have made from a business. The purchase would have involved the student ordering a product from a business. 2. Students to work in pairs to identify (i) the process of purchasing the product and (ii) the sales and purchasing documentation issued to support the ordering process. 3. Teacher to provide examples of the documentation used in the sales and purchasing process; Students required to identify: (i) the purpose of each document (ii) the information contained in each document. 4. Teacher to present an incomplete flow chart of the sales and purchasing process. Students are required to complete the flow chart attaching the relevant sales and purchasing documents to each part of the flow chart. Display the results in the classroom and ask students to comment. 5. Teacher-led classroom discussion to confirm the correct order of the flow chart and the associated documentation. 6. Students complete an exercise to identify the accuracy of specific sales and purchasing documents and make the necessary amendments. 7. Teacher to summarise the main learning points covered in section 3 of the specification. 8. Students complete a classroom based test with exam-type questions. 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Students presented with actual sales and purchasing documentation and are required to identify the information contained within each of the documents.</p> <p>Students complete flow chart of the sales and purchasing process.</p> <p>Students issued with sales and purchasing documentation and required to identify errors and undertake the necessary corrections.</p> <p>Homework tips</p> <p>Try to source business sales and purchasing documentation from own purchasing activities.</p> <p>Complete exam-type questions relating to the Assessment Objectives based upon a teacher-devised business scenario (See Section Three: Assessment further down).</p> <p>Revision for classroom-based test.</p>

4

Business policies

It might be useful to commence this topic by looking at the policies which exist in the Centre in which they are studying this qualification. For example, the rules and regulations covering:

- attendance
- punctuality
- payment of fees
- plagiarism.

This could lead on to the reasons why such policies exist and follow on with the reasons why a business establishes its own policies.

A similar approach could be taken in this topic by the students addressing different ways in which policies could be communicated to the workforce.

An in-depth knowledge of these business policies is not required but students should be able to explain the four main areas covered by statutory policies:

- health and safety
- data protection
- consumer protection
- employment legislation.

They will now go into more depth by looking at the respective roles of directors and business managers with specific reference to:

- the establishment of business policies
- the implementation of business policies
- the purpose of business meetings in the policy formulation process
- the respective roles and functions of key members participating in a formal business meeting.

Workplace scenarios are an effective way of delivering this aspect of the teaching programme. For example, the students could be asked to identify the potential risks to the business and the individual employee if the individual employee did not follow the procedures required under a specific policy.

Specific content	Outcomes	Suggested teaching	Activities
<p>4.1 The need for business policies</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand why it is important for a business to establish business policies and the advantages and disadvantages of the methods used to communicate them to its employees.</i></p>	<ol style="list-style-type: none"> 1. Begin this topic by asking the students to list some of the rules and regulations of the Centre (this could include things such as attendance, punctuality, handing in homework on time). Follow this up with a teacher-led classroom discussion focusing upon why such rules and regulation are required. Complete the discussion by highlighting how these rules and regulations are formulated into Centre policies. <p>(Students could also be referred to the specification document for this qualification which identifies the policies which must be followed by the Centre).</p> <ol style="list-style-type: none"> 2. Students to work in small groups to consider the types of business policies which might be present in different types of businesses (the nature of the business could be determined by the teacher, for example a small factory producing car components using machinery or a service sector business, for example an accountancy practice or a high street retailer). 3. Teacher-led class discussion on the case for establishing business policies, followed by a teacher presentation covering the main points noted in the specification. 4. Students should be referred back to Topic 2 (<i>Communication and the Customer</i>), when they completed work on the different methods a business uses to communicate. 5. Working in pairs students are asked to list the ways in which a business could communicate its policies to its employees. <p>(Note: If some of the students are already engaged in the world of work, they could be asked to make individual presentations on how their own businesses communicate with the workforce).</p>	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Classroom discussion on the purpose of policies relating to their own course and their Centre's relationship with the Awarding Body.</p> <p>Business scenarios on types of business policies relating to different types of enterprises.</p> <p>Complete worksheet and write notes on the ways in which a business communicates their policies to its workforce</p> <p>Homework tips</p> <p>Revision for classroom test.</p> <p>Complete exam-type questions relating to the Assessment Objectives based upon a teacher devised business scenario (See Section Three: <i>Assessment</i> further down).</p>

		<ol style="list-style-type: none"> 6. Teacher presentation confirming how businesses formally communicate their policies to employees. 7. Students complete a classroom-based test to confirm their understanding. 	
<p>4.2 The classification of business policies</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the difference between compulsory (statutory) and voluntary (non-statutory) policies and their implications on a business.</i></p>	<ol style="list-style-type: none"> 1. Refer the students back to the work they completed earlier on the different types of policies. Ask the students to separate them in terms of those directly related to the practices of the business itself, the conduct of employees, the relationship between the business and its customers and the relationship between the business and external authorities. 2. Teacher-led classroom discussion highlighting the difference between statutory and non-statutory policies and their advantages and disadvantages. 3. Teacher presentation on the classification of business policies in respect of statutory requirements. 4. Students to research the main areas of the legal requirements of statutory policies in their own countries in the four areas identified in the specification. 5. Teacher to summarise the main areas covered by each of the main statutory policy classifications. 6. Students to consider different scenarios which occur in a business and require relevant policies. For example, the conduct of employees, the need for procedures, the relationship between the business and the customer. 7. Teacher-led presentation on why businesses create statutory and non-statutory policies. 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Participate in classroom discussion regarding the difference between statutory and non-statutory policies.</p> <p>Homework tips</p> <p>Desktop research of statutory business policies and examples of the implications for a business when the policies are breached.</p> <p>Complete exam-type questions relating to the Assessment Objectives based upon a teacher-devised business scenario (See Section Three: Assessment further down).</p>

		<ol style="list-style-type: none"> 8. Students undertake research to find examples of the consequences for a business of breaching statutory policies and report their findings to the rest of the group. These breaches could include loss of customer data due to security breaches, environmental damage caused by business negligence, successful claim against unfair dismissal and the impact of false claims on a specific product, for example car emissions data. (These consequences should be linked to the business objectives covered in Topic 1 (<i>The business environment</i>)). 9. Teacher to confirm these consequences in relation to the detail in the specification. 	
<p>4.3 The responsibilities of directors and business managers</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the responsibilities and implications for the board of directors and its managers in relation to the establishment and monitoring of business policies.</i></p>	<ol style="list-style-type: none"> 1. Students should be referred back to the work covered on business departments in Topic 1 (<i>The business environment</i>). 2. Teacher to prepare a simple organisation chart that can be completed by the students. The organisation chart should clearly distinguish between the board of directors, departmental managers and individual work roles. 3. Teacher-led presentation to identify the respective roles and responsibilities of directors and managers in respect of business policies. 4. Students complete a short case study identifying how information and responsibilities relating to a specific statutory policy flows from the directors through the organisation to individual employees. 5. Teacher reviews responses, leads a classroom discussion and confirms main learning points. 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Students find examples of different organisation charts to consider their similarities and differences.</p> <p>Homework tips</p> <p>Find examples of job adverts for directors and managers and make notes on their duties and responsibilities.</p> <p>Complete exam-type questions relating to the Assessment Objectives based upon a teacher-devised business scenario (See Section Three: Assessment further down).</p> <p>Complete case study.</p>

<p>4.4 Business meetings</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the purpose and structure of business meetings and their role in monitoring the implementation and effectiveness of business policies.</i></p>	<ol style="list-style-type: none"> 1. Teacher-led classroom discussion to explore how a business could assess if a policy was effective. For example, the criteria could include the number of reported accidents (health and safety); the number of data breaches (data protection); the number of consumer complaints or product defects (consumer protection); the number of cases of unfair dismissal (employment legislation). <p>Follow on this discussion with a teacher presentation on the purpose of business meetings.</p> <ol style="list-style-type: none"> 2. Students participate in a role play exercise involving their participation in a formal business meeting with a brief to monitor the operation of one of the main statutory policies, for example, health and safety. Teacher confirms the structure of the meeting and designates individual students to specific roles: chair, vice chair, secretary and departmental managers. <p>Teacher to provide the necessary support documentation including the agenda, notes of previous meeting and data reports to be considered.</p>	<p>Student role play of a business meeting.</p> <p>Classroom-based test.</p> <p>Homework tips</p> <p>Revision for topic test.</p> <p>Complete exam-type questions relating to the Assessment Objectives based upon a teacher-devised business scenario (See Section Three: Assessment further down).</p>
<p>4.5 The responsibilities of the employee</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the responsibilities of and impact on the employee in relation to business policies when carrying out their job.</i></p>	<ol style="list-style-type: none"> 1. Teacher-led classroom discussion focused on the implications for the individual employee of business policies. For example, this could include, why it is important for the individual to know the policies and how the policies can impact upon their work role. 2. Students should be referred back to the work they completed on how a business communicates their policies to the workforce. This will lead into their next activity. 3. Students work in pairs to compete a table identifying the responsibilities of the individual employee in respect of the four main classifications of statutory policies. Student responses are shared with the rest of the class. 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Group work and presentations on the responsibilities of an individual employee in respect of following business policies.</p> <p>Complete worksheet on short business-related scenario and present suggestions of possible business responses.</p>

		<ol style="list-style-type: none">4. Teacher to confirm the main learning points by a teacher-led presentation on the responsibilities of the employee in respect of business policies.5. Teacher presents a series of short scenarios around the theme of 'What action should the business take if...' Each scenario should detail a specific case of how an individual employee has not followed a business policy. Working in small groups, students are required to suggest the action that the business should take (these actions should be taken from the list that appears in this section of the specification).6. Topic Review: Teacher-led discussion based upon the responses of the students. Teacher to confirm main learning points of Topic 4.	<p>Homework tips</p> <p>Complete exam-type questions relating to the Assessment Objectives based upon a teacher-devised business scenario (See Section Three: <i>Assessment</i> further down).</p>
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5

Personal skills and performance

An effective way of approaching this topic is by taking the students on a 'journey' through their first year in a job:

- the starting point of applying for a job
- their performance targets
- the end of their first year in the job when their performance is reviewed
- the performance targets set by their manager/supervisor for the next year.

It would be useful to introduce this topic by reviewing the content of a range of job advertisements, in order for the students to identify some of the skills required by employers. This could be followed by the students considering specific job roles in the context of:

- the skills required
- the qualities required
- the qualifications required in particular job roles.

NOTE: This suggested approach would involve delivering part of 5.1 (How a business supports employee performance in the workplace) together with 5.2 (Personal performance targets).

The final section of this topic could be used to identify:

- the relationship between how an individual is supported within a business
- the advantages which arise as a result of this support and the role of performance reviews
- individual SMART performance targets in improving the effectiveness of an individual within their job role.

The students should be able to link the content covered in this section with the content covered in the other topics in the specification. For example:

- the individual employee as a stakeholder
- how the individual contributes to the customer service provided to both internal and external customers
- why the individual must adhere to the business's policies
- how the collective effort and contribution of all individuals contribute towards the achievement of the business's objectives.

Specific content	Outcomes	Suggested teaching	Activities
<p>5.1 How a business supports employee performance in the workplace</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand the business practices that can support, improve and reward employee performance in the workplace.</i></p>	<ol style="list-style-type: none"> Stage 1: Students research local and national job advertisements and identify a job they could apply for once they have successfully completed this qualification Teacher-led classroom discussion to identify the difference between workplace skills, personal qualities and qualifications (Note this is covered in 5.2 further down). Stage 2: Once students have selected a suitable job, they prepare their CV clearly identifying their workplace skills, personal qualities and qualifications. Stage 3: Once appointed to the job role, students work in small groups to discuss how they consider the business could support them in their new job role and the advantages to the business and themselves of providing this support. Teacher-led classroom discussion leading to a teacher presentation on how a business can support and reward the employee, and the advantages to the business and the individual employee of providing this support. (Note: the specific points to be covered are detailed in the specification). 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Source job advertisements.</p> <p>Prepare own CV.</p> <p>Engage in classroom discussion; feedback to class and complete worksheet.</p> <p>Note-taking from teacher presentation.</p> <p>Homework tips Complete exam-type questions relating to the Assessment Objectives based upon a teacher-devised business scenario (See Section Three: Assessment further down).</p>

<p>5.2 Personal performance targets</p>	<p>At the completion of this section of the specification students will be able to:</p> <p><i>Understand why personal performance targets are set and how they can be used to improve skills, qualities and qualifications.</i></p>	<ol style="list-style-type: none"> 1. Stage 4: Personal performance targets - Following on from 5.1, the next stage in the process will introduce personal performance targets, covering such aspects as their role and functions in the workplace and how they can benefit both the individual and the business. 2. Working in small groups students discuss why their performance would need to be reviewed at the end of their probationary period (or some other specific set period of time), and to identify the criteria against which their performance could be assessed. They could follow this up by suggesting ways in which their manager/ supervisor could support their further development in their work role. 3. Students share their ideas with the rest of the group. 4. Teacher-led presentation on the purpose and features of performance reviews. 5. Students presented with a series of short scenarios relating to the performance of individual employees (scenarios to cover both good and aspects of poor performance). Students to suggest actions that could be taken to support good performance or address poor performance. 	<p>Students continue their on-going recording of a glossary of key business terms with definitions.</p> <p>Small group discussion and classroom presentation.</p> <p>Note-taking from teacher presentation.</p> <p>Complete worksheet and suggest responses to given business scenarios.</p> <p>Set SMART targets in given business scenarios.</p> <p>Homework tips</p> <p>Update glossary of terms.</p> <p>Complete open-ended exam-type questions.</p> <p>Revise for full-mock examination.</p>
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3

Assessment

Assessment summary

LCCI are practical, vocational qualifications that equip learners with the skills and knowledge needed to enter and thrive in the workplace. The new assessments have been designed to include real-life contextualised scenarios that learners can apply in their careers. Our assessments are externally marked by Pearson to safeguard confidence and ensure that standards are comparable.

Specification at a glance

The Pearson LCCI Level 2 Certificate in Business Fundamentals (ASE20300) consists of one externally-examined paper.

Title: Pearson LCCI Level 2 Certificate in Business Fundamentals	
<ul style="list-style-type: none"> Externally assessed. 	100% of the total qualification
Overview of content <ul style="list-style-type: none"> The business environment Communication and the customer Management information systems and business documentation Business policies Personal skills and performance 	
Overview of assessment <ul style="list-style-type: none"> One written, externally-set and marked paper, contributing 100% of the overall grade of the qualification. The examination will be 3 hours. The examination will consist of 100 marks. There will be five questions. Students should answer all questions. Questions comprise of multiple-choice, short open-response and extended open-response questions. Students will be graded Pass/Merit/Distinction. A result of Fail will be recorded where students do not achieve the required marks for a Pass. 	

Within the examination, candidates will be required to answer **ALL** of the questions in the paper. For this paper, there are **five** questions at Level 2 which the students are required to answer. Each paper includes a variety of question types, which will be discussed later in the section.

Details regarding the assessment opportunities and the examination dates available for this qualification can be found on the **Pearson website**.

Assessment objectives

What are assessment objectives? They describe the types of thinking skills required of learners when answering the questions in the examinations.

There are **four** assessment objectives for this qualification:

Assessment objectives	Definition	% of qualification
AO1 Memorise	Recall facts and terminology of the business environment.	40
AO2 Demonstrate understanding	Demonstrate understanding of how businesses operate, communicate and use management information systems (MIS), and the impact of business policies.	40
AO3 Apply concepts	Apply concepts of business practices that support personal skills and performance and links between statutory and non-statutory policies and their implications on a business.	10
AO4 Analyse information	Analyse the classification of business policies and how a business supports individual performance in the workplace.	10
	<i>Total</i>	100

Performance Descriptors

Pearson award candidates at three different grades: pass, merit and distinction. When making judgements on grade boundaries, Pearson create and use performance descriptors. These are used to identify what we expect learners to be able to achieve at a particular level of ability.

Pearson only publish the pass and distinction descriptors to outline the upper and lower end of grade ability. These can be found at the end of each specification and have also been provided for you below for this qualification.

Grade	Descriptor
Pass	<p>Students will be able to recall basic facts and terminology of the business environment and demonstrate basic understanding of the purpose of business activity, business organisations, departments and stakeholders.</p> <p>They will be able to demonstrate a basic understanding of management information systems (MIS), and how businesses operate, communicate and provide customer service.</p> <p>Students will be able to apply basic concepts of business practices to support individual performance in the workplace and make basic links between statutory and non-statutory policies and their implications.</p> <p>They will be able to analyse basic information on how the performance of an individual employee can influence the performance of a business.</p>
Distinction	<p>Students will be able to recall detailed facts and terminology of the business environment and demonstrate a detailed understanding of the purpose of business activity, business organisations, departments and stakeholders and the influence of technology and globalisation on businesses.</p> <p>They will be able to demonstrate a detailed understanding of the importance of how businesses operate, communicate and provide customer service, and how management information systems (MIS) can be used to support decision making and reduce business risks.</p> <p>Students will be able to apply detailed concepts of business practices to support individual performance in the workplace and explain its advantages and disadvantages, and they will make detailed links between statutory and non-statutory policies and their implications on a business.</p> <p>They will be able to analyse detailed information on how the performance of an individual employee can influence the performance of a business and how a business can support and improve individual performance in the workplace.</p>

Command words

There are several key words that will be used consistently by Pearson in the assessments. These are typically called **command words** and are used to signal to learners how to structure their responses and ensure they are rewarded for demonstrating the necessary skills required in the question.

Each question will only have **one** command word. These are the command words that may appear in this examination. Please note that the list below will not be used in every paper/session and is for guidance only. This same list can also be found at the back of each specification.

Command or term	Definition
Describe	<p>Give a clear, objective account in their own words showing recall and, in some cases, application of the relevant features and information about a subject.</p> <p>Use of this verb normally requires breadth of content coverage.</p> <p>Evidence will normally be written but could be through presentation or, less frequently, performance or practice.</p> <p>For example, 'Describe one...'</p>
Discuss	<p>Identify the issue/situation/problem/argument that is being assessed in the question given, exploring all aspects and investigating fully.</p> <p>For example, 'Discuss the...'</p>
Evaluate	<p>Review information before bringing it together to form a conclusion, or come to a supported judgement of a subject's qualities in relation to its context, drawing on evidence: strengths, weaknesses, alternative actions, relevant data or information.</p> <p>For example, 'Evaluate the...'</p>
Explain	<p>Show clear details and give reasons and/or evidence to support an opinion, view or argument. Could show how conclusions are drawn (arrived at). Show that they comprehend the origins, functions and objectives of a subject, and its suitability for purpose.</p> <p>For example, 'Explain one...'</p>
State	<p>Express something definitely or clearly.</p> <p>For example, 'State two...'</p>
Which	<p>Specify one or more items from a definite set.</p> <p>For example, 'Which one of these...?'</p>

Item types

In addition to the command words, the examination papers also include a variety of different item types. Each type may be recognisable by the number of marks that the question is worth and the command word that may be used. There are **four** different **item types** used in the assessments across the LCCI Marketing and Business qualifications, which are outlined below:

1. Closed response

These types of questions are where learners must select from a range of options. They are closed because the range of options presented to the learners are limited. Examples of these questions are multiple-choice (MCQ) or multiple-response (MRQ) question types. MCQs are worth 1 mark and MRQs 2 marks.

Command words: Which, What, When, Why, How

2. Short open response

These types of questions are where learners are expected to provide a short response in a few words or a short sentence. The learner is likely to be recalling knowledge or identifying something that has been presented to them in the stimulus of the question. Each question is likely to be worth 1-3 marks.

Command words: Define, Give, Identify, Name, State

3. Medium open response

For these question types, learners are expected to present more than one linked point or expand on their idea in some way. These types of questions are likely to be worth 2-6 marks.

Command words: Describe, Explain, Complete, What is meant by

4. Extended open response

These question types are the hardest and are worth the most marks. Here learners are required to engage with stimulus material (such as a contextualised scenario), to develop a complex response that could be approached in multiple ways. Each question is worth 6 or more marks. These types of questions are marked differently from the other item types and use a levels-based mark scheme (LBMS), which is discussed in further detail below.

Command words: Analyse, Assess, Create, Discuss, Develop, Evaluate, Prepare, Report, Proofread, Sense check, Draw

PLEASE NOTE: Not all of the above command words for each item type are applicable for all qualifications. The exact command words used in each qualification are detailed in the specification.

Mark schemes

There are two types of mark schemes allocated to different types of questions in the examination:

1. Points-based mark scheme

All closed, short open response and medium open response questions will be marked using a points-based mark scheme. These types of questions are marked using allocated marks for a specific number of points.

2. Levels-based mark scheme (LBMS)

Extended open response questions are marked using a levels-based mark scheme, which consists of two parts: indicative content and levels-based descriptors.

The indicative content reflects specific content-related points a learner might make to answer the question. The level-based descriptors articulate the skills learners are likely to demonstrate when answering the question. The levels represent the progression of these skills.

When marking these questions, the examiner will evaluate the candidates' response based on the indicative content for that specific question and apply the descriptor, to identify the number of marks that should apply. When using a levels-based mark scheme, the 'best fit' approach should be used.

Model answers

The following model answers relate to the questions in the **Sample Assessment Material** for the Pearson LCCI Level 2 Certificate in Business Fundamentals, which can be accessed via the **Pearson website**.

i. **Multiple-choice question** (Question 4(a) in the Sample Assessment Material)

Which **one** of these is a statutory policy that a business must follow? (1 mark)

- A Communication protection
- B Employment legislation
- C Export protection
- D Productivity legislation

The correct answer is B - Employment legislation

Students will have covered Business Policies in Section 4 of the specification and would have specifically covered **the classification of business policies** in subsection 4.2 which identifies employment legislation as one of the four main statutory policies.

Multiple response question (Question 4(b) in the Sample Assessment Material)

Which **two** of these would be formal methods used by a business to communicate its policies to its employees? (2 marks)

- A Conversations
- B Suggestion box
- C Staff handbook
- D Telephone call
- E Training

The answer is C - Staff handbook and E - Training

Students will have covered business communication in Section 2.1 of the specification where they would have studied the importance of business communication in relation to the management of employees. This would have included looking at the difference between formal and informal communications. This question requires them to identify two formal communication methods of which a Staff handbook and Training are two examples.

ii. **Multiple factual response questions**

State **two** functions of the finance department within a business (Question 1(e) in the Sample Assessment Material)

Answer: Any **two** of the following functions: (2 marks)

- Bookkeeping
- Preparing financial statements
- Budget setting
- Payroll
- Petty cash
- Monitoring cash flow

Students will have covered business departments in Section 1.3 of the specification where they would have studied how businesses are structured and the functions of the four main departments, of which Finance is one. In these types of questions, the students are only required to state the answer – no explanation is required. In this question, they are not required to describe or explain what bookkeeping involves or why the business needs to maintain financial records.

iii. **Two-mark pen-ended questions** (Question 2(f) in the Sample Assessment Material)

Explain **one** advantage to a business of effective communication with its employees (**2 marks**)

Sample student response:

If a manager clearly explains to employees what tasks they need to complete (1), they are therefore likely not to waste time completing unnecessary tasks (1).

Commentary on student response:

This is a good answer because it makes **two linked points** – firstly the need to clearly explain to employees the nature of the tasks involved (*effective communications*) and secondly, the related point that time will not be then wasted on unnecessary tasks (*the advantage*). Implicit in this response is the need for employees to work effectively, thereby saving costs.

iv. **Three mark open-ended questions** (Question 3(g) in the Sample Assessment Material)

Explain **one** impact of increased competition on a business (**3 marks**)

Sample student response:

Increased competition means more businesses entering the market (1) resulting in consumers having more choice (1) leading to fewer sales and lower profits if they buy goods from the other businesses (1).

Commentary on student response:

This is a good response because the student has linked together **three linked points:**

- i. An understanding of the term 'increased competition'
- ii. The implications of increased competition from a consumer perspective
- iii. How the actions of consumers can impact upon a business

v. **Extended open response questions** (Question 5(f) in the Sample Assessment Material)

Petroleogas is a large oil and gas company based in Brazil, which competes against other large multinational companies.

It is one of South America's largest employers.

Petroleogas has a reputation for providing high-quality induction and training schemes for its new employees. The company attracts graduates with a degree in either business or engineering.

Over 50 per cent of its employees are below the age of 30, and they are required to work in teams across different departments within the company.

Discuss the advantages to new employees and *Petroleogas* of having a high-quality induction and training scheme (6 marks)

Sample student response:

New employees participate in an induction so that they can gain an understanding of their specific job role and how it fits into the bigger picture. For example, they will be told about how the business is structured and the functions of each department. This is important for new employees at Petroleogas because they will be required to work in teams across different departments.

Graduates are highly qualified individuals who are likely to want to continue their training once they leave university. Petroleogas are likely to attract more graduates as a result of the business's reputation for providing high-quality training schemes for new employees.

High quality induction and training schemes will motivate new employees to do well in their jobs and may provide them with promotion opportunities in Petroleogas, resulting in them staying for longer rather than going to work in other businesses.

Commentary on student response:

This is a good response because the student has contextualised the response with reference to the scenario and not simply made general points about induction and training. Therefore, the response links induction and training to the specific group of employees highlighted in the scenario. For example, employees will be expected to work in different departments and how training can meet the needs and aspirations of graduates, and the indirect benefit this will bring for the business in terms of high labour retention.

Constructing a mock examination paper

It is recommended that students gain experience of answering the type of questions they will be required to answer in the examination.

In constructing mock examination questions, teachers are strongly advised to refer to the Sample Assessment Material for this examination which provides examples of the types of questions and the format of the paper, all of which have been covered in the first part of this Guide. The mock paper should resemble the SAM to include the following:

- i. the same number of MCQs
- ii. ensuring the paper reflects the range of AOs
- iii. ensuring even coverage of specification topics
- iv. ensuring even spread of different question types and marks per section

Students should be briefed on:

- i. The types of questions which will appear in the examination
- ii. How they should approach each type of question used in the examination e.g. the idea of linking together key points in their responses
- iii. The level of detail expected in each type of examination question

The following questions are examples of the types of questions which could be included in a mock examination paper.

1. Multiple-choice questions and multiple-response questions

- Which **one** of the following is a factor of production? (1)

- A** Brand
- B** Capital
- C** Competition
- D** Profit

Answer: B - Capital

- Which **two** of these can be identified as a purpose of business activity? (2)

- A** To satisfy customer needs
- B** To add value to products

- C** To help the government
- D** To reduce exports
- E** To reduce the level of inflation

Answer A - To satisfy customer needs and B - To add value to products

2. 'State' questions

- State **one** reward of the entrepreneur (1)

Answer: Profit (Note: Other responses would also be acceptable e.g. personal satisfaction or to be their own boss)

- State **two** reasons for keeping financial records (2)

Answer: 1. To monitor cash flow 2. To produce the financial statements

3. 'Explain' questions

Example 1

Explain **one** way a business can contribute towards meeting the needs of its shareholders (2)

Answer: Shareholders invest money into the business in order to gain a share of the profits (1) the business can meet this need by distributing some of its profits to shareholders in the form of dividends (1)

Example 2

Explain **one** piece of information contained within a statement of comprehensive income that would be useful to a potential investor (3)

Answer: The statement of comprehensive income identifies how much profit a business has made in a specific trading period (1) this is a useful piece of information for a potential investor because it will give an indication of the potential return on their investment (1) since the more they invest the greater the proportion of any distributed profits paid out to them by the business will be (1)

4. Extended open response questions

The following two examples of open-ended response questions have been annotated to show how the guidance on devising open-ended response questions can be applied.

Example 1

Sally Lui has been employed by Raincheck Ltd as a Customer Services Adviser for the past year. Her job involves answering customer queries and writing letters to customers who have requested refunds for faulty goods.

Sally will shortly be meeting with her manager for her first performance review at which she will be required to agree a set of performance targets for the following year.

- (1) Explain **one** purpose of a performance review. (2)
- (2) Discuss why Raincheck Ltd requires Sally to agree a set of SMART targets with her manager. (6)
- (3) Evaluate how linking pay progression to individual performance could impact on Sally's performance. (6)

Same command word used in questions

65-75 word scenarios

Identical marks for all questions

Example 2

The Head of Human Resources Camilla Lee at Progresschasers Ltd. is planning to introduce a set of new business practices aimed at supporting employee performance. This is to reduce the high number of employees who are leaving the company a short while after they have been employed.

Her first priority is to introduce a mentoring scheme.

Her second priority is to provide employees the opportunity to gain qualifications at a local college during working hours.

- (1) Explain one way a mentoring scheme could help to address Progresschasers Ltd.'s current problem. (2)
- (2) Discuss the reasons why the new Head of Human Resources wants to support employee performance in the workplace (6)
- (3) Evaluate the advantages and disadvantages to Progresschasers Ltd of Camilla Lee's second priority (6)

Can only answer (2) and (3) with reference to the scenario

Sample answers to open response questions

Example 1 (Raincheck Ltd)*

1. Performance review is a formal process which allows the manager to assess the performance of an individual employee (1), in order to identify if they have any training needs which could improve their performance in the future (1).

2. For Sally to improve and progress in her job role, it is important that she agrees with her manager a set of performance objectives in the form of personal targets which will form part of her performance review. Effective targets are based upon the principles of SMART targets – they are specific, measurable, achievable, relevant and time-bound. Setting these targets will enable Sally to have a clear focus on her job role and will enable her manager to monitor her progress and identify any resources or additional training which will support the achievement of her targets. This benefits both Sally and Raincheck Ltd. Sally's performance will improve and she will make a positive contribution to Raincheck Ltd.'s business objectives.

3. Pay progression linked to Sally's individual performance will allow Sally to achieve an increase in her salary based upon her performance. For example, if she achieves the SMART targets set in her performance review her salary would be increased. This has obvious advantages for Sally and the business. Sally will work hard to achieve her targets and the business will benefit because she will have made a positive contribution towards Raincheck Ltd.'s business objectives. However, there can be serious drawbacks in such a system. For example, if Sally's work role involves working in a team, she may have to rely on the efforts of others in order to achieve her targets. If a member of the team is under-performing, this could impact on Sally's ability to achieve her targets. If Sally requires training to achieve her targets, and this is not provided or is of poor quality, this again could prevent Sally not achieving her targets.

Pay progression linked to Sally's individual performance can therefore increase Sally's motivation or reduce her motivation based upon the individual circumstances affecting her work role. For such a system to work effectively it should be well-planned, the individual employee should be given the resources and training support to achieve their targets, and should be backed up by other business practices which support the motivation of the workforce.

*** NOTE: Question 1 is marked using a points-based mark scheme. Questions 2 and 3 would be marked using a levels-based mark scheme.**

Example 2 (Progresschasers Ltd)*

1. Mentoring is a business practice in which a more experienced member of the workforce provides support and guidance to a new member of the workforce (1). For example, the mentor could provide guidance to a new employee so that they become familiar with the business practices and culture within Progresschasers Ltd. (1).

2. Supporting the performance of employees in the workforce brings several advantages to both the individual and the business. Firstly, the motivation of the individual will increase and they will be focussed on ensuring that they complete their work tasks on time and to a high-quality standard. Customer service will also improve because individuals within the workforce will understand the features of good customer service and the importance of the customer to the business. A motivated workforce will also increase the reputation of the business due to the high levels of customer service. Overall, all these factors will have a positive impact upon Progresschasers Ltd.'s financial performance. Sales will increase and profits will rise.

3. Camilla's second priority is to provide employees with the opportunity of gaining qualifications at a local college during working hours. The advantages of doing this is that the skills of the workforce will increase as they will gain knowledge of the most up-to-date business practices. This will mean that they will perform their job roles more efficiently. Their motivation will also increase because they will recognise that the business is supporting their own career development. All of these factors will mean that the overall performance of the business will improve, which will impact upon its business objectives and overall financial performance.

However, there are some drawbacks. Firstly, it may increase business costs because the business may have to pay fees to the local college. Secondly, whilst at college the individual employees are not contributing to the activities of the business; production will be lost and other workers may need to take on additional work, which may lead to a reduction in their motivation. Finally, obtaining additional qualifications may mean that the individual is able to apply for jobs in other businesses, so that they then leave Progresschasers Ltd.

** NOTE: Question 1 is marked using a points-based mark scheme. Questions 2 and 3 would be marked using a levels-based mark scheme.*

4

Resources

Support resources

New materials are being developed to support the delivery and understanding of the new LCCI qualifications.

As well as this Teacher Guide, a free digital **coursebook** is also provided to guide both teachers and students through the content in the specification and provide information on each topic area, examination tips, short case studies and practice questions to test learners' knowledge.

For centres and teachers, Pearson offers **training** to teachers on standards of delivery and preparing students to meet the assessment requirements. We offer different types of training:

- Face-to-face implementation and launch events to help centres to understand the qualifications and share best practice to deliver the qualifications effectively, and
- Feedback events to help centres gain feedback on past examination papers to understand specific areas of the exams where candidates have difficulties with, to enable teachers to tailor their delivery to meet student needs and requirements.

Supplementary resource suggestions

The following **Pearson textbooks** are referenced in the table below:

BTEC First Business (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2013)

BTEC First Award (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2012)

BTEC Level 2 Technical Certificate Business Administration Learner Handbook (Bithell, Downes, Greyner, Jackson) Pearson (2017)

Revise BTEC First Business Unit 2 Finance for Business; Unit 9 Principles of Marketing Revision Guide (Carysforth, Neild) Pearson (2014)

BTEC Level 2 Technical Certificate Customer Service Operations Learner Handbook (Pryce, Jackson, Bithell, Greyner) Pearson (2017)

BTEC Level 2 Technical Certificate Business Enterprise Learner Handbook (Bunn, Parry, Smith, Donaldson) Pearson (2017)

The following specialist websites are useful sources of information on all of the topics covered in the specification as well as providing teacher notes, presentations and student activities:

www.tutor2u

www.businessballs.com

www.bbc.com/education/subjects/zpsvr82

Short video clips of business activities covered in the specification can be found by researching YouTube. www.youtube.com

Specification	Pearson textbook	Reference
Topic 1: The business environment		
1.1 The purpose of business activity	<i>BTEC Level 2 Technical Certificate Business Enterprise Learner Handbook</i> (Bunn, Parry, Smith, Donaldson) Pearson (2017)	Section A <i>The features of different enterprises</i> , pp4-16
www.youtube.com/watch?v=KEuTpRkZqiY Explains why entrepreneurs are important to the economy		
1.2 Types of business organisations	<i>BTEC Level 2 Technical Certificate Business Enterprise Learner Handbook</i> (Bunn, Parry, Smith, Donaldson) Pearson (2017)	Section 1 <i>The Business Enterprise Environment</i> , pp4-10
https://www.youtube.com/watch?v=aWpsAGCQ840 Explains the types of business organisations from a US perspective		
1.3 Business departments	<i>BTEC First Award</i> (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2012)	Topic A.1 <i>Organisational structures and functional areas</i> , pp198-203 Topic A.1 <i>Purposes of functional areas and links between them</i> , pp204-5
www.youtube.com/watch?v=4drdlkjYG0U Describes the role and functions of the main departments in a business		
1.4 Business stakeholders	<i>BTEC First Business</i> (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2013) <i>BTEC Level 2 Technical Certificate Business Enterprise Learner Handbook</i> (Bunn, Parry, Smith, Donaldson) Pearson (2017)	Topic C.3 <i>Business model</i> , p32 Section A.3 <i>Stakeholders and their influence</i> , pp14-16
www.youtube.com/watch?v=yYp2M2aGiT4 Explains the difference between shareholders and stakeholders www.tutor2u.net/business/reference/stakeholders-introduction An introduction to the concept of stakeholders		

1.5 Business planning and performance	<i>BTEC First Business</i> (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2013)	Topic B.1 <i>How business ideas can be successful</i> , pp18-19 Topic B.2 <i>Business ideas</i> , pp20-21 Topic B.3 <i>Assessing the suitability of a business idea</i> , pp24-25 Topic B.4 <i>Producing an initial plan for a business idea</i> , pp26-27
<p>https://www.youtube.com/watch?v=Fqch5OrUPvA&t=262s Describes how to write a business plan to start your own business</p> <p>https://www.businessballs.com/strategy-innovation/swot-analysis-19/ How SWOT and PEST can be used in different contexts</p>		
1.6 The influence of technology on business	<i>BTEC Level 2 Technical Certificate Business Administration Learner Handbook</i> (Bithell, Downes, Greyner, Jackson) Pearson (2017)	Unit 3 A1-A3 <i>Process business information accurately using data management software</i> , pp90-104
<p>https://www.youtube.com/watch?v=zBZXQCfj8Y An overview of how technology influences the business environment</p>		
1.7 Business finance	<i>Revise BTEC First Business Unit 2 Finance for Business; Unit 9 Principles of Marketing Revision Guide</i> (Carysforth, Neild) Pearson (2014)	Unit 2 Learning Aim 1, <i>Start-up costs</i> , p1; Operating (running costs) p2
<p>https://www.youtube.com/watch?v=B7300KsDdYY Basic financial statements</p>		
1.8 Globalisation	<i>BTEC First Award</i> (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2012)	Topic 8.2 <i>The relationship between UK retailers and international markets</i> , p164
<p>https://www.youtube.com/watch?v=JJ0nFD19eT8 An introduction to the main features of globalisation</p>		

Specification	Pearson textbook	Reference
Topic 2: Communication and the customer		
2.1 Business communication	<i>BTEC Level 2 Technical Certificate Business Administration Learner Handbook</i> (Bithell, Downes, Greyner, Jackson) Pearson (2017)	Unit 1 B <i>How working relationships contribute to an effective business</i> , pp20-27
https://www.youtube.com/watch?v=egtyq2ccCIA Difference between formal and informal business communications		
2.2 Customer service	<i>BTEC Level 2 Technical Certificate Customer Service Operations Learner Handbook</i> (Pryce, Jackson, Bithell, Grenyer) Pearson (2017) <i>BTEC First Business</i> (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2013)	B. <i>Customer service</i> , pp16-21 A4 <i>Interpersonal skills</i> , pp63-64 B1 <i>Deliver customer service to meet the needs and expectations of customers, Internal and external customers</i> , pp67-71 B <i>Investigate the use of customer feedback to inform continuous improvement in customer service</i> , pp137-146 A.1-A.3 <i>Customer service in Business</i> , pp100-118
https://www.youtube.com/watch?v=uMbst2ZtwR4 The importance of customer feedback in business		
Specification	Pearson textbook	Reference
Topic 3: Management information systems and business documentation		
3.1 Management information systems and business risks	<i>BTEC Level 2 Technical Certificate Business Administration Learner Handbook</i> (Bithell, Downes, Greyner, Jackson) Pearson (2017)	Unit 3 A1-A3 <i>Process business information accurately using data management software</i> , pp90-104
https://www.youtube.com/watch?v=YtL5XSezalM Business risks		

3.2 Sales and purchasing documents	https://www.youtube.com	https://www.youtube.com/watch?v=SLHJuo9YE-s 'Sales and purchase documentation', <i>Croesus Bookkeeping Training</i>
https://www.youtube.com/watch?v=SLHJuo9YE-s Sales and purchase documentation		
Specification	Pearson textbook	Reference
Topic 4: Business policies		
4.1 The need for business policies	BTEC Level 2 Technical Certificate Business Administration Learner Handbook (Bithell, Downes, Greyner, Jackson) Pearson (2017)	<i>C The legal framework in which your business operates</i> , pp28 -37
https://www.slideshare.net/Vanea_Smith/nature-and-importance-of-business-policy The need for business policies		
https://smallbusiness.chron.com/importance-business-policy-10199.html The importance of business policy		
4.2 The classification of business policies	<i>BTEC Level 2 Technical Certificate Business Administration Learner Handbook</i> (Bithell, Downes, Greyner, Jackson) Pearson (2017)	<i>C The legal framework in which your business operates</i> , pp28 -37
4.3 The responsibilities of directors and business managers	<i>BTEC Level 2 Technical Certificate Business Administration Learner Handbook</i> (Bithell, Downes, Greyner, Jackson) Pearson (2017) <i>BTEC First Award</i> (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2012)	<i>D The structure in which the organisation operates</i> , pp 38-50 Topic A.2 <i>Job roles and responsibilities</i> , pp206-207
https://www.youtube.com/watch?v=t2jXrX_0S8M Reviewing and updating company policies		

4.4 Business meetings	<i>BTEC First Business</i> (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2013)	Unit 7 <i>Providing Business Support; Organising and providing support for meetings</i> , pp180-191
https://www.youtube.com/watch?v=yxH_2qdePc 8 Tips for Running More Effective Meetings		
4.5 The responsibilities of the employee	<i>BTEC Level 2 Technical Certificate Business Administration Learner Handbook</i> (Bithell, Downes, Greyner, Jackson) Pearson (2017)	C <i>The legal framework in which your business operates</i> , pp28 -37
https://www.youtube.com/watch?v=_h06XvaYnqo Employee rights and responsibilities		
Specification	Pearson textbook	Reference
Topic 5: Personal skills and performance		
5.1 How a business supports employee performance in the workplace	<i>BTEC Level 2 Technical Certificate Business Administration Learner Handbook</i> (Bithell, Downes, Greyner, Jackson) Pearson (2017)	A2 <i>Organisational factors affecting continuous improvement</i> , pp129-135 A3 <i>Importance of continuous improvement</i> , pp135-137
https://www.youtube.com/watch?v=9ZLbSk1Te68 'Human Resource Management', Monash Business School		
5.2 Personal performance targets	<i>BTEC Level 2 Technical Certificate Business Administration Learner Handbook</i> (Bithell, Downes, Greyner, Jackson) Pearson (2017) <i>BTEC First Award</i> (Carysforth, Bentley, Chandler-Corris, Neild, Glencross) Pearson (2012) <i>BTEC Level 2 Technical Certificate Business Administration Learner Handbook</i> (Bithell, Downes, Greyner, Jackson) Pearson (2017)	Unit 2c <i>Demonstrate professional behaviours and effective communication in the work environment</i> , pp77-85 Topic C3 <i>Personal Audit</i> , pp220-221 Unit 2 C <i>Demonstrate professional behaviours and effective communication in the work environment</i> , pp77-87
https://www.youtube.com/watch?v=M2OPEUjBYdw 'Setting employee goals', HR360Inc		



**A dedicated guide to support with the teaching of
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