

Qualification accredited



 **This specification is for first teaching from September 2026. First assessment will be from summer 2028.**

Specification

A Level

Business

Cambridge OCR Level 3 Advanced GCE in Business | H436

For first teaching in 2026

For first assessment in 2028

Are you using the latest version of this specification?

The latest version of our specifications will always be on [our website](#) and may differ from printed versions. We will inform centres about changes to specifications.

This version includes the final approved content, but not the final designed format. We're sharing it now so you can access the information early while we finish creating a fully accessible publication.

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Designing and testing in [collaboration with teachers](#) and students



Helping young people develop an [ethical view of the world](#)



Equality, diversity, inclusion and belonging (EDIB) are [part of everything we do](#)

Summary of updates

Section	Change	Version	Date
All	Creation of specification	1.0	January 2026

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We are committed to championing sustainability for our planet. If you need to print, please consider printing specific pages or sections.

1. Why choose Cambridge OCR?

Choose Cambridge OCR and you have the reassurance that you are working with one of the UK’s leading examination boards.

We work with teachers, employers, and universities to create qualifications that support the needs of all students and help them prepare for their future. We offer A Levels, GCSEs, vocational qualifications, and other academic options to schools, colleges, workplaces, and other organisations.

We are part of Cambridge University Press & Assessment, Europe’s largest assessment agency and a department of the University of Cambridge. We play a leading role in developing and delivering assessments worldwide, operating in over 150 countries.

We listen. The decisions we make when we develop our specification are based on teacher and student feedback. To tell us more about your experiences of teaching our qualifications, [join our teacher panel](#) and help shape the future of our assessments.



Our A Level qualifications are accredited by Ofqual, the regulator for qualifications offered in England. The accreditation number for this qualification is QN610/6792/1.

1.1 Teacher support

We have a range of support services to help you at every stage of teaching, from preparation to delivery.

Teach Cambridge - our personalised and secure website provides you with access to:

- **Extensive resources to download or watch.** Plan and structure your teaching with curriculum planners, schemes of work and teacher guides, and prepare for assessment with examiner reports, exemplars and NEA guidance.
- **Self-paced online training.** Find courses to help you deliver, mark and administer internal assessment for our qualifications under Assessment – NEA/Coursework – Online courses.
- **Professional development.** Access a comprehensive programme of assessor-led courses and Q&A sessions with our experts, plus free teacher network events.

ExamBuilder - our free test-maker platform provides you with access to past papers and to build your own customised formative assessments for your students.

Access to scripts - a free service for exams officers to download copies of your students' completed question papers.

Active Results - our free online results analysis service to help you review exam performance.

On-hand subject teams - our experienced advisors will help answer any question you might have. They provide you with key information, including:

- specification and non-exam assessment advice
- updates on resource developments and training opportunities
- information on our subject networks giving an opportunity to share ideas and expertise.

Further help and support

Visit your [subject pages](#) to learn more about the assessment and support available.

Not a registered or approved centre of ours? Discover the benefits of becoming one on [our website](#) and request trial access to [Teach Cambridge](#).

Have more questions about teaching our qualifications? Explore our [Online Support Centre](#) or contact our [Customer Support team](#).

1.2 People and planet

We have clear commitments to champion sustainability, diversity, trust and respect for our people and planet.



Helping young people develop an ethical view of the world.

We are committed to supporting a curriculum that helps young people develop an ethical view of the world. This enables them to take social responsibility, understand environmental issues and prepare them for the green jobs of the future.



Equality, diversity, inclusion and belonging (EDIB) are part of everything we do.

Our EDIB principles are that we:

- are respectful and considerate
- celebrate differences and promote positive attitudes to belonging
- include perspectives that reflect the diverse cultural and lifestyle backgrounds of our society
- challenge prejudicial views and unconscious biases
- promote a safe and supportive approach to learning
- are accessible and fair, creating positive experiences for all
- provide opportunities for everyone to perform at their best
- are contemporary, relevant and equip everyone to live and thrive in a global, diverse world
- create a shared sense of identity in a modern mixed society with one humanity.

To learn more, including our work on accessibility in our assessment materials, visit our [people and planet page](#).

2. Specification at a glance

2.1 Assessment overview

Students must complete all question papers (01, 02 and 03) to achieve the Cambridge OCR Level 3 Advanced GCE in Business.

Content	Assessment
Business activity Marketing People	Business activity, marketing and people (01)* 90 marks 2 hours Written paper
	33.3 % of total A Level
Operations Finance External influences	Operations, finance and external influences (02)* 90 marks 2 hours Written paper
	33.3 % of total A Level
Strategy Risk Managing change	Strategy, risk and managing change (03)*# 90 marks 2 hours Written paper
	33.3 % of total A Level

* Indicates inclusion of assessment of quality of extended response.

Indicates inclusion of synoptic assessment.

2.2 Content overview

Business activity, marketing and people (01)	
1. Business activity	1.1 What is business activity? 1.2 Business structure 1.3 Stakeholders 1.4 Business size and growth 1.5 Scale of operations 1.6 Customer journey
2. Marketing	2.1 What is marketing? 2.2 Identifying and anticipating customer needs 2.3 Targeting customers 2.4 The marketing mix 2.5 Sales forecasting 2.6 Technology in marketing 2.7 Measuring marketing performance
3. People	3.1 What is human resource management? 3.2 Organisational design 3.3 Motivation 3.4 Leadership 3.5 Employer/employee relations 3.6 Recruitment and selection 3.7 Training and development 3.8 Measuring human resource performance

Operations, finance and external influences (02)	
4. Operations	4.1 What is operations? 4.2 Productivity 4.3 Quality 4.4 Managing capacity 4.5 Inventory 4.6 Supply chain management and logistics 4.7 Measuring operational performance
5. Finance	5.1 What is finance? 5.2 Costs, revenue, profit and loss 5.3 Budgeting

Operations, finance and external influences (02)	
	5.4 Cash flow forecasting and liquidity 5.5 Sources of finance 5.6 Financial statements 5.7 Measuring financial performance
6. External influences	6.1 What is the market? 6.2 The global market 6.3 Political, economic, social and technological influences

Strategy, risk and managing change (03)	
7.1	Business planning
7.2	Business strategy
7.3	Strategic decision making and implementation
7.4	Investment decisions
7.5	Managing risk
7.6	Change management
7.7	Ethical, legal, environmental and sustainability issues

3. Subject content

In all of the following content, students are required to apply their knowledge, understanding and skills to a wide variety of different business contexts with varying degrees of competition within dynamic business environments. Students must investigate different types and sizes of business organisations in various business sectors and environments in local, national and global contexts. They must develop an understanding of how these contexts impact on business behaviour.

Students should be able to make decisions based on the critical analysis and evaluation of data and other information provided. Students should be able to analyse data and recognise the use and limitations of qualitative and quantitative data in business decision making.

Students' knowledge, understanding and skills must enable them to:

- identify business opportunities, problems and issues
- investigate, analyse and evaluate business opportunities and problems
- apply numerical skills and make justifiable decisions using both qualitative methods and quantitative methods
- identify and understand how businesses adapt to operate successfully in a dynamic business environment.

Please see Section 3.1 Quantitative Skills in Business for details of the required range and extent of quantitative skills in business.

Students should develop a holistic understanding of business and enterprise in a range of contexts. They should understand and apply sophisticated concepts and techniques, analyse, interpret and evaluate complex business information and take a strategic view of business opportunities, problems and issues.

The knowledge, understanding and skills required are set out in four columns. The second column states the content. The third column is called 'Points to include (Breadth)'. This column clarifies the minimum breadth of content required. Students should know and understand each point including its meaning, features, characteristics etc. The fourth column is called 'Guidance (Depth)'. This column clarifies the depth of understanding and skills required. The Specification terms and Usage table (page 8) should be read alongside the Guidance column in each topic area to ensure accurate interpretation of the specified content.

Specification terms and Usage table

The table below explains the main terms used in the guidance column and should be read in conjunction with the specified content.

Term	GCE Business usage
Calculation	Refers to accurately using numerical methods to solve business problems. For example, calculating profit margins or break-even quantities.
Impact	Refers to the possible positive or negative influences, effects or implications of a decision, action, or strategy on a business or its stakeholders. It includes identifying and justifying likely or significant outcomes based on critical analysis and evidence. For example, considering the advantages and disadvantages of using several alternative pricing methods to make a decision on how best to price a product.
Importance	Refers to the significance or value of a factor, action, issue or influence in shaping a business's outcomes or achieving objectives. It requires a well-rounded understanding of business in different contexts, allowing for critical evaluation of its role and influence on success or priorities. For example, considering whether it is important for a business to carry out market research or why motivation is important to a business's employees.
Interpretation	Involves explaining the meaning, effects or implications of calculated results, models, diagrams and other information in the context of the question, linking figures to business performance or decision making. For example, interpreting liquidity ratios, break-even charts or a PEST analysis.
Suitability	Refers to the extent to which a decision, strategy, tool or action is appropriate or effective in addressing a specific problem, meeting objectives, or fitting the needs of a situation, allowing for critical analysis of its applicability and decisions of its effectiveness compared to alternatives in a range of contexts. For example, judging the effectiveness of a particular style of leadership for a business or whether it's more appropriate for a business to choose one source of finance rather than another.
Use	Refers to applying calculated results, models, diagrams or other information to business opportunities, problems and issues, such as using investment appraisal techniques to support making an investment decision or using market research data to support decisions about the marketing mix.
Usefulness	Refers to how helpful or effective a model, technique or concept is. It involves critically analysing its applications and assessing its relevance and limitations/advantages and disadvantages. The usefulness to a business may depend on its objectives or need to solve a problem. For example, weighing up the benefits and drawbacks of using sales forecasting to judge whether/how useful it is for a business.

Business activity, marketing and people (H436/01)

This component introduces students to business concepts and issues concerning the activities of a business. It explores the purpose and role of a business, from first spotting an enterprising opportunity through to the growth of an established business. The component takes a closer look at the role of marketing and people in organisations.

There are three sections covering content – Section 1: business activity, Section 2: marketing and Section 3: people. Content from these three sections will be assessed in Component 01. Students will be required to draw on underpinning content from Component 02: Operations, finance and external influences to develop a holistic understanding of business in a range of contexts. Throughout this component, students will need to consider how different contexts affect business decisions.

1. Business activity

In this section, students will learn how to differentiate between businesses and describe the type of business, the size of the business, the people involved in the business and how businesses effectively start and sometimes fail.

Students will apply their knowledge and understanding of business activity to a range of different contexts, familiar and unfamiliar.

Students will also analyse the decisions that businesses make when starting up and growing, including business objectives, structure, size, scale and growth and how these decisions might affect the people interested in the business, its stakeholders.

Faced with business opportunities, problems and issues, students must be able to come to a judgement based on their own analysis, application and understanding of business activity. They should be able to support their judgement and show how that judgement may change, depending on known or unknown factors.

1.1 What is business activity?		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
1.1.1 Enterprise and business activity <ul style="list-style-type: none"> • Types of business activity • Starting a business • Entrepreneurs and intrapreneurs • Likelihood of success 	<ul style="list-style-type: none"> <input type="checkbox"/> buying, selling, adding value to products (goods and services) <input type="checkbox"/> spotting an opportunity, generating and developing an idea for a business, satisfying the needs of customers, barriers to enterprise <input type="checkbox"/> roles of entrepreneurs and intrapreneurs <input type="checkbox"/> risk, reward, uncertainty 	<p>The importance of types of business activity, the stages of starting a business, entrepreneurs and intrapreneurs</p> <p>The impacts of level of risk, reward and uncertainty on business success</p>
1.1.2 Business objectives <ul style="list-style-type: none"> • Business objectives • SMART objectives 	<ul style="list-style-type: none"> <input type="checkbox"/> profit, growth, survival, society's needs and wants, sustainability, market share, revenue, cost control <input type="checkbox"/> specific, measurable, achievable, realistic, time-based 	<p>The impacts of different business objectives</p> <p>The usefulness of business Objectives</p>

1.2 Business structure			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
1.2.1	Business sectors	<input type="checkbox"/> primary, secondary, tertiary	<i>n/a</i>
1.2.2	Types of business ownership	<input type="checkbox"/> sole traders, partnerships, private limited companies, public limited companies	The impacts of each type of business ownership (including liability, legal status, control) The suitability of different types of business ownership
1.2.3	Other forms of business enterprise	<input type="checkbox"/> not-for-profit organisations, social enterprises	The impacts of other forms of enterprise ownership (including legal status, control, social mission) The suitability of other forms of business enterprise

1.3 Stakeholders			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
1.3.1	Types of stakeholders	<input type="checkbox"/> owners/shareholders, employees (including managers and directors), lenders, customers, potential investors, government (central, local), suppliers, local community	The impacts of each type of stakeholder on a business and on other stakeholders
1.3.2	Stakeholder objectives	<input type="checkbox"/> objectives of each stakeholder	The impacts of conflicting stakeholder objectives

1.4 Business size and growth			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
1.4.1	Measuring business size	<input type="checkbox"/> revenue, output, number of outlets, number of employees, market share, number of customers, market capitalisation, capital employed, area/space	Calculation, interpretation and use of measurements of business size The suitability of using each measurement of business size
1.4.2	Business growth <ul style="list-style-type: none"> • Internal business growth • External business growth 	<input type="checkbox"/> increasing output, gaining new customers, developing new products, increasing market share, franchising <input type="checkbox"/> mergers and takeovers (horizontal and vertical [backward and forward] integration), diversification	The importance of growth to business success The impacts of each method of growth on a business The suitability of each method of business growth

1.5 Scale of operations			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
1.5.1	Factors influencing the scale of operations	<input type="checkbox"/> product, costs, customer expectations, suppliers, technology, infrastructure	The impacts and importance of factors influencing the scale of operations
1.5.2	The influence of scale of operations on a business	<input type="checkbox"/> economies of scale (internal and external), diseconomies of scale, market power, overtrading	The impacts and importance of economies and diseconomies of scale, market power and overtrading

1.6 Customer journey			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
1.6.1	Stages of the customer journey	<input type="checkbox"/> awareness, consideration, purchase, retention, advocacy	<p>The importance of the customer journey</p> <p>The impacts of each stage of the customer journey</p>
1.6.2	Customer experience	<input type="checkbox"/> speed and quality of service, product knowledge, after-sales service, personalisation	<p>The importance of customer experience</p> <p>The impacts of different ways to measure customer experience</p>

2. Marketing

In this section, students will learn about the marketing process, with a vocabulary of terms and concepts that can be used to understand how a business can effectively market its products.

Students will need to apply their knowledge and understanding to known and unknown business contexts to inform business decision making and solve business problems. Students will also analyse likely impacts, effects, consequences and reactions of decisions made by a business or a stakeholder. Faced with business opportunities, problems and issues, students should be able to come to a judgement based on their own analysis, application and understanding of the topic to reach evaluative conclusions.

2.1 What is marketing?			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
2.1.1	The purpose and role of marketing	<input type="checkbox"/> identifying a market and understanding its customers, satisfying and informing customers, increasing sales, creating a unique selling point (USP)	The importance of marketing to a business
2.1.2	Approaches to marketing	<input type="checkbox"/> market orientation, product orientation	The impacts of different approaches to marketing

2.2 Identifying and anticipating customer needs			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
2.2.1	The purpose of market research	<input type="checkbox"/> identifying and understanding customer needs	The importance of market research to a business
2.2.2	Primary market research methods	<input type="checkbox"/> questionnaires, interviews, trialling, focus groups, observation	The suitability of different primary market research methods
2.2.3	Secondary market research sources	<input type="checkbox"/> newspapers, magazines, census, competitor websites, social media and online forums, internal data, government data, published research data	The suitability of different secondary market research sources

2.2 Identifying and anticipating customer needs			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
2.2.4	Sampling methods	<input type="checkbox"/> random, stratified, systematic	<p>The importance of sampling to a business</p> <p>The suitability of different sampling methods</p>
2.2.5	Market research data	<input type="checkbox"/> qualitative data, quantitative data	<p>Interpretation and use of market research data</p> <p>The suitability of qualitative and quantitative data</p>

2.3 Targeting customers			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
2.3.1	Market analysis	<input type="checkbox"/> market size, market share, market growth	<p>The importance of market analysis to a business</p> <p>Calculation and interpretation of market size, market share and market growth</p> <p>The impacts of market size, market share and market growth</p>
2.3.2	How markets may differ <ul style="list-style-type: none"> • Types of market • Mass and niche markets 	<input type="checkbox"/> business-to-consumer (B2C), business-to-business (B2B) <input type="checkbox"/> characteristics, market size, market share, brands	<p>The impacts of:</p> <ul style="list-style-type: none"> ▪ targeting a type of market ▪ targeting a mass or niche market <p>The suitability of a market for a business</p>
2.3.3	Market segmentation	<input type="checkbox"/> demographic, geographic, psychographic	<p>The impacts of market segmentation on a business</p> <p>The suitability of different types of market segmentation</p>

2.4 The marketing mix		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
2.4.1 Product <ul style="list-style-type: none"> Product development Product life cycle Product portfolio analysis 	<ul style="list-style-type: none"> design, invention, innovation, sources of ideas, research and development (R&D) introduction, growth, maturity, decline, extension strategies Boston Matrix (question marks, stars, cash cows, dogs) 	<p>The importance of product as an element of the marketing mix</p> <p>The impacts of product development, product life cycle and product portfolio analysis</p> <p>Interpretation and use of the product life cycle and the Boston Matrix</p> <p>The usefulness of the product life cycle and the Boston Matrix</p>
2.4.2 Price <ul style="list-style-type: none"> Pricing methods Elasticity of demand 	<ul style="list-style-type: none"> skimming, cost-plus, penetration, competitor, psychological, dynamic, freemium price elasticity of demand (PED), income elasticity of demand (YED) 	<p>The importance of price as an element of the marketing mix</p> <p>The impacts of different pricing methods</p> <p>Calculation, interpretation and use of elasticity of demand</p> <p>The usefulness of elasticity of demand</p>
2.4.3 Promotion	<ul style="list-style-type: none"> advertising, sales promotion, direct mail, packaging, branding, public relations, sponsorship, point of sale, influencer and social media, websites, email, search engine optimisation (SEO), pay-per-click (PPC), chatbots, content marketing (including blogs, videos, podcasts) 	<p>The importance of promotion as an element of the marketing mix</p> <p>The impacts of different promotional methods</p>
2.4.4 Place/distribution <ul style="list-style-type: none"> Channels of distribution Intermediaries 	<ul style="list-style-type: none"> physical, digital (including e-commerce), and multi-channel wholesaler, retailer, agent 	<p>The importance of place as an element of the marketing mix</p> <p>The impacts of different channels of distribution and intermediaries</p>

2.5 Sales forecasting			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
2.5.1	<p>Sales forecasting</p> <ul style="list-style-type: none"> • The purpose of sales forecasting • Types of sales forecasting 	<ul style="list-style-type: none"> <input type="checkbox"/> identifying trends, predicting future sales, planning, making informed business decisions <input type="checkbox"/> historical sales forecasting (scatter graphs, line of best fit, using past data to predict future sales trend), intuitive sales forecasting, sales forecasting for new products 	<p>The usefulness of sales forecasting</p> <p>Calculation, interpretation and use of sales forecasting data</p> <p>The impacts of different types of sales forecasting</p>

2.6 Technology in marketing			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
2.6.1	<p>Technology in marketing</p>	<ul style="list-style-type: none"> <input type="checkbox"/> big data, artificial intelligence (AI), gamification, virtual reality, augmented reality 	<p>The impacts of using technology in marketing</p>

2.7 Measuring marketing performance			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
2.7.1	<p>Measuring marketing performance</p>	<ul style="list-style-type: none"> <input type="checkbox"/> complaints, customer feedback, customer reviews, net promoter score (NPS) 	<p>The importance of measuring marketing performance</p> <p>Interpretation and use of measurements of marketing performance</p>

3. People

In this section, students will learn how a business can recruit, select, train, organise, lead and dismiss its workers. Students must apply their knowledge to familiar and unfamiliar business contexts and understand the many different ways a leader can manage the people who work in an organisation.

Students will analyse how a business can effectively use its human resources and the impacts arising from decisions about the workforce. Faced with business opportunities, problems and issues, students must be able to come to a judgement based on their own analysis, application and understanding of the topic to reach evaluative conclusions.

3.1 What is human resource management (HRM)?		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
3.1.1 The purpose and role of human resource management (HRM)	<input type="checkbox"/> identifying and meeting the labour resource needs of a business	The importance of human resource management to a business
3.1.2 Ways of working	<input type="checkbox"/> part-time, full-time, permanent, temporary, flexible, shift working, working from home/hybrid/remote, self-employed	The impacts of different ways of working on a business and its employees

3.2 Organisational design		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
3.2.1 Organisational design	<ul style="list-style-type: none"> <input type="checkbox"/> flexibility, meeting the needs of the business, growth, development, intrapreneurship <input type="checkbox"/> hierarchical (tall and flat), matrix, by product, by function, by geographical area 	<p>The importance of organisational design</p> <p>The impacts of different types and features of organisational structure</p>

3.2 Organisational design		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
<ul style="list-style-type: none"> Features of an organisational structure 	<input type="checkbox"/> levels of hierarchy, chain of command, layering, span of control, subordinates, responsibility, authority, delegation, accountability, degree of centralisation/decentralisation	The suitability of an organisational structure

3.3 Motivation		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
3.3.1 The purpose of motivation	<input type="checkbox"/> human needs and their satisfaction at work, recruitment and retention, employee performance	The importance of motivation to a business and its employees
3.3.2 Motivation in practice <ul style="list-style-type: none"> Financial methods of motivation Non-financial methods of motivation 	<input type="checkbox"/> salary, hourly wage, piece rates, commission, bonuses, pensions, profit sharing, performance-related pay, fringe benefits <input type="checkbox"/> praise, employee recognition schemes, working environment, opportunities for promotion, empowerment, job enrichment, job rotation	<p>The impacts and importance of financial and non-financial methods of motivation on a business and its employees</p> <p>The suitability of different types of financial and non-financial methods of motivation</p>
3.3.3 Employee morale, health and wellbeing	<input type="checkbox"/> work-life balance, mental health awareness, equality, diversity, inclusion and belonging (EDIB)	<p>The importance of employee morale, health and wellbeing</p> <p>Interpretation of employee morale, health and wellbeing data</p>

3.4 Leadership		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
3.4.1 Leadership <ul style="list-style-type: none"> The role of leadership Styles of leadership 	<input type="checkbox"/> presenting a vision, uniting a team, communicating culture, modelling core values, creating an inclusive work environment, inspiring and motivating <input type="checkbox"/> autocratic, democratic, laissez-faire, paternalistic, transformational	<p>The importance of leadership to a business</p> <p>The impacts of different styles of leadership on a business and its employees</p> <p>The suitability of different styles of leadership</p>

3.5 Employer/employee relations		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
3.5.1 Employee participation	<input type="checkbox"/> employee voice, suggestion schemes, participative decision making, works councils	<p>The impacts and importance of employee participation</p>
3.5.2 Trade unions <ul style="list-style-type: none"> The purpose of trade unions Types of industrial action 	<input type="checkbox"/> negotiation, collective bargaining, improve working conditions, legal assistance <input type="checkbox"/> strikes, picketing, action short of a strike (slow down, overtime ban)	<p>The impacts and importance of trade unions and industrial action on a business and its employees</p>
3.5.3 Redundancy and dismissal <ul style="list-style-type: none"> Redundancy 	<input type="checkbox"/> voluntary redundancy, involuntary redundancy	<p>The impacts and importance of redundancy and dismissal on a business and its employees</p>

3.5 Employer/employee relations			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
	<ul style="list-style-type: none"> Dismissal 	<input type="checkbox"/> unfair dismissal (trade union membership, paternity and maternity leave, whistleblowing, refusing to give up working time rights), fair dismissal (capacity, conduct, redundancy and other substantial reasons)	

3.6 Recruitment and selection			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
3.6.1	Recruitment <ul style="list-style-type: none"> Reasons businesses recruit Internal and external recruitment processes 	<input type="checkbox"/> replacement of employees who leave, business growth, skill gaps <input type="checkbox"/> job descriptions, person specifications, job advertisements, employment agencies, online recruitment	<p>The importance of recruitment to a business</p> <p>The suitability of different recruitment processes</p>
3.6.2	Selection methods	<input type="checkbox"/> curriculum vitae (CV), application forms, letters of application, interviews, references, tests, group activities, assessment centres	<p>The importance of selection to a business</p> <p>The suitability of different selection methods</p>

3.7 Training and development		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
3.7.1 Training and development <ul style="list-style-type: none"> • Reasons businesses train and develop workers • Types of training and development • Methods of training and development 	<ul style="list-style-type: none"> <input type="checkbox"/> development of the business, to improve productivity, skill shortages, customer service, motivation, retention, to encourage intrapreneurship, multi-skilling, flexibility, statutory (including health and safety, fire safety, equality) <input type="checkbox"/> induction, on-the-job, off-the-job <input type="checkbox"/> coaching, mentoring, shadowing, workshops, online learning, onboarding, apprenticeships 	<p>The impacts and importance of training and development on a business</p> <p>The suitability of each type and method of training and development</p>

3.8 Measuring human resource performance		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification Terms and Usage table)
3.8.1 Measuring human resource performance	<ul style="list-style-type: none"> <input type="checkbox"/> employee turnover, absenteeism, employee productivity 	<p>The importance of measuring human resource performance</p> <p>Calculation, interpretation and use of measurements of human resource performance</p>

Operations, finance and external influences (H436/02)

This component takes a closer look at the role of operations management and accounting and finance. The component also includes consideration of significant external influences on business. It explores the importance of these influences and how businesses respond to them.

There are three sections covering content – Section 4: operations, Section 5: finance and Section 6: external influences. Content from all these sections will be assessed in Component 02. Students will be required to draw on underpinning content from Component 01: Business activity, marketing and people to develop a holistic understanding of business in a range of contexts. Throughout this component, students will need to consider how different contexts affect business decisions.

4. Operations

In this section, students explore operations management, its role in the production of goods and the provision of services. Students will learn how a business adds value, so that it is able to sell a product for more than the cost of production.

By its nature, operations must be applied to a business context as products are not all produced in the same way. Some businesses might operate a production line with hundreds of products made every day. However, it could equally be a specialist worker who takes months to create a masterpiece. Students must be able to apply their knowledge of operations to familiar and unfamiliar business contexts.

Students will analyse the impact on a business of its operations, and changes to its operations, to develop chains of reasoning about the effectiveness of operations. Faced with business opportunities, problems and issues, students must be able to come to a judgement based on their own analysis, application and understanding of the topic to reach evaluative conclusions.

4.1 What is operations?			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
4.1.1	The purpose and role of operations	<input type="checkbox"/> the production of products (goods and services)	The importance of operations to a business
4.1.2	Production <ul style="list-style-type: none"> • The production process • Ways of adding value 	<input type="checkbox"/> inputs to outputs, adding value to products (goods and services) <input type="checkbox"/> convenience, branding, quality, design, unique selling points, sustainability (including circular design, energy efficiency, sustainable sourcing), facilities	The impacts of the production process and ways of adding value Calculation, interpretation and use of added value The suitability of different ways of adding value
4.1.3	Technology in production	<input type="checkbox"/> automation, computers, robotics, cloud services, nanotechnology, augmented reality, artificial intelligence (AI), 3D printing	The impacts of using technology in production

4.2 Productivity			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
4.2.1	Productivity	<input type="checkbox"/> efficiency, effectiveness, measuring productivity	The impacts of efficiency and effectiveness on productivity Calculation and interpretation of productivity

4.3 Quality		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
4.3.1 Production quality <ul style="list-style-type: none"> The purpose of quality What is production quality? 	<input type="checkbox"/> reputation of the business to gain and retain customers, reduce product returns and recalls, reduce complaints <input type="checkbox"/> fit for purpose, meeting minimum standards	The impacts and importance of production quality
4.3.2 Managing quality	<input type="checkbox"/> quality control, quality assurance	The suitability of quality control and quality assurance

4.4 Managing capacity		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
4.4.1 Managing capacity	<input type="checkbox"/> capacity utilisation (including under and over maximum capacity), increasing production, reducing capacity, reducing maintenance downtime, outsourcing	The impacts and importance of managing capacity Calculation, interpretation and use of capacity utilisation

4.5 Inventory			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
4.5.1	Types of inventory	<input type="checkbox"/> raw materials, work in progress, finished goods	<i>n/a</i>
4.5.2	Managing inventory <ul style="list-style-type: none"> • Inventory control • Inventory control charts • Inventory management systems 	<input type="checkbox"/> reducing risk of stock-out, minimising storage costs <input type="checkbox"/> buffer inventory/minimum inventory level, maximum inventory level, re-order level, re-order quantity, lead time <input type="checkbox"/> Just In Time (JIT)	<p>The impacts and importance of inventory control and inventory management systems</p> <p>Interpretation and use of inventory control charts</p> <p>Calculation, interpretation and use of re-order level and re-order quantity</p> <p>The usefulness of inventory control charts</p> <p><i>NOTE: The completion of inventory control charts is not required.</i></p>

4.6 Supply chain management and logistics			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
4.6.1	<p>Supply chain management and logistics</p> <ul style="list-style-type: none"> • Stages of supply chain management • Logistics 	<ul style="list-style-type: none"> <input type="checkbox"/> planning, sourcing supplies, producing/manufacturing, delivering products to customers, customer returns <input type="checkbox"/> length of supply chain, procurement, reliability of supply, costs, transport infrastructure, methods of transportation, timing 	The impacts and importance of supply chain management and logistics

4.7 Measuring operational performance			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
4.7.1	<p>Measuring operational performance</p>	<ul style="list-style-type: none"> <input type="checkbox"/> key performance indicators (KPIs) (including defect/wastage rate, output, productivity, delivery times) 	<p>The importance of measuring operational performance</p> <p>Calculation, interpretation and use of key performance indicators (KPIs)</p>

5. Finance

In this section, students will learn where business finance can be obtained, how it should be accounted for and tools such as break-even that can be used to inform decision making across the entire business.

The financial needs and requirements of any business are likely to be unique and knowledge of finance must be applied. Students will explore techniques, including ratio analysis, that support meaningful comparisons such as comparisons between businesses.

Students will need to use finance and accounting data and techniques to analyse the impact of changes on a business. Finance and accounting techniques can provide objective evidence to enable better decision making and problem solving for a business. Faced with business opportunities, problems and issues, students must be able to come to a judgement based on their own analysis, application and understanding of the topic to reach evaluative conclusions.

5.1 What is finance?		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
5.1.1 The role of accounting and finance <ul style="list-style-type: none"> The purpose and role of the finance function Business failure due to a lack of finance 	<input type="checkbox"/> providing financial information, supporting business planning and decision making <input type="checkbox"/> bankruptcy, liquidation and administration	<p>The importance of the finance function (accounting and finance) to a business</p> <p>The impacts of a lack of finance function (accounting and finance) on a business and its stakeholders</p>
5.1.2 Financial understanding <ul style="list-style-type: none"> Types of business asset Types of business liability Capital Cash and profit 	<input type="checkbox"/> current assets, non-current assets <input type="checkbox"/> current liabilities, non-current liabilities <input type="checkbox"/> Share capital, retained profit <input type="checkbox"/> the difference between cash and profit	<i>n/a</i>

5.2 Costs, revenue, profit and loss			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
5.2.1	Costs and revenue	<input type="checkbox"/> fixed cost, variable cost, total cost, unit cost, total (sales) revenue	Calculation, interpretation and use of costs and revenue
5.2.2	Break-even analysis <ul style="list-style-type: none"> • Break-even charts • Break-even calculations • Break-even decisions 	<input type="checkbox"/> total revenue, total costs, break-even quantity, margin of safety, profit, loss, fixed costs <input type="checkbox"/> contribution per unit, total contribution, total revenue, total costs, break-even quantity, margin of safety <input type="checkbox"/> acceptance of special orders, discontinuing a product based on contribution, price setting, 'what if' scenarios	Completion, interpretation and use of break-even charts Calculation, interpretation and use of break-even data The usefulness of break-even analysis
5.2.3	Profit and profitability <ul style="list-style-type: none"> • Types of profit • Profitability ratios 	<input type="checkbox"/> gross profit, operating profit, profit for the year (net profit) <input type="checkbox"/> gross profit margin, operating profit margin, profit for the year (net profit) margin	Calculation, interpretation and use of profit and profitability ratios The usefulness of profitability ratios

5.3 Budgeting			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
5.3.1	The purpose of budgeting	<input type="checkbox"/> planning, allocating resources, coordinating, controlling, motivating, measuring performance	The importance of budgeting
5.3.2	Variance analysis of budgets	<input type="checkbox"/> favourable variances, adverse variances	Calculation, interpretation and use of variances

5.4 Cash flow forecasting and liquidity		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
5.4.1 Cash flow forecasting <ul style="list-style-type: none"> • The purpose of cash flow forecasting • Cash flow forecasts • Managing cash flow 	<ul style="list-style-type: none"> <input type="checkbox"/> planning, assessing and monitoring future business performance, anticipating periods of cash shortage, obtaining finance, enabling remedies to be put into place for shortages, providing targets <input type="checkbox"/> opening balance, closing balance, cash inflow, cash outflow, net cash flow <input type="checkbox"/> cost control, inventory management, delaying payment to suppliers, selling assets, delaying purchasing assets, delaying business growth, arranging overdraft facility 	<p>The impacts and importance of cash flow forecasting and managing cash flow</p> <p>Completion, interpretation and use of cash flow forecasts</p> <p>Calculation, interpretation and use of cash flow data</p> <p>The usefulness of cash flow forecasts</p>
5.4.2 Liquidity ratios	<ul style="list-style-type: none"> <input type="checkbox"/> current ratio, acid test ratio 	<p>The impacts and importance of liquidity</p> <p>Calculation, interpretation and use of liquidity ratios</p> <p>The usefulness of liquidity ratios</p>

5.5 Sources of finance		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
5.5.1 Ways of raising finance <ul style="list-style-type: none"> Internal sources of finance External sources of finance 	<input type="checkbox"/> owners' investment, retained profit, sale of assets <input type="checkbox"/> share capital, venture capital, bank overdrafts, leasing, loans, trade credit, credit cards, crowdfunding, grants	<p>The impacts of sources of finance on a business</p> <p>The suitability of a source of finance for a business</p>
5.5.2 Factors affecting the sources of finance	<input type="checkbox"/> cost, flexibility, amount of finance required, retaining control, the use to which the finance is put, level of existing debt, timescale, business structure, availability	The impacts of factors affecting the sources of finance

5.6 Financial statements		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
5.6.1 The purpose of financial statements	<input type="checkbox"/> to inform stakeholders, to make business decisions, to raise finance, to meet legal requirements	<i>n/a</i>
5.6.2 Income (profit and loss) statement	<input type="checkbox"/> revenue, cost of sales, gross profit, expenses, operating profit, finance costs, taxation, profit for the year (net profit), dividends, retained profit	<p>Interpretation and use of income statements</p> <p>The usefulness of income statements</p> <p><i>NOTE: The completion of income statements is not required.</i></p>
5.6.3 Statement of financial position	<input type="checkbox"/> non-current assets, current assets, current liabilities, net current assets, non-current	Interpretation and use of statements of financial position

5.6 Financial statements			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
		liabilities, net assets, equity and reserves	The usefulness of statements of financial position <i>NOTE: The completion of statements of financial positions is not required.</i>

5.7 Measuring financial performance			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
5.7.1	Measuring financial performance <ul style="list-style-type: none"> • Profitability ratio • Efficiency ratios • Gearing ratio 	<ul style="list-style-type: none"> <input type="checkbox"/> return on capital employed <input type="checkbox"/> inventory turnover, trade receivable days, trade payable days <input type="checkbox"/> gearing ratio 	<p>The importance of measuring financial performance</p> <p>Calculation, interpretation and use of profitability, efficiency and gearing ratios</p> <p>The usefulness of profitability, efficiency and gearing ratios</p>

6. External influences

In this section, students will learn how the market affects business decision making, together with Political, Economic, Social and Technological influences (PEST), and how businesses adapt to operate successfully in a changing business environment.

Students must apply their knowledge of external influences to a range of business contexts. Students should be aware of how the external business environment can influence business decisions in every area of the business including business activity, marketing, people, operations and finance.

Students must analyse the impact of the external environment on the business and its stakeholders. Some of these effects will have a positive, protective impact on the business, while others may have a negative, or constraining impact. Faced with business opportunities, problems and issues, students must be able to come to a judgement based on their own analysis, application and understanding of the external environment to reach evaluative conclusions.

6.1 What is the market?			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
6.1.1	What is the market?	<input type="checkbox"/> buyers/demand, sellers/supply	The importance of demand and supply to a business
6.1.2	Factors affecting the market <ul style="list-style-type: none"> • Factors affecting demand • Factors affecting supply 	<input type="checkbox"/> price, income, price of related products (substitutes and complements), tastes and fashion, expectations, number of consumers, promotion <input type="checkbox"/> production costs, number of businesses in the market, capacity, weather, productivity, taxation and subsidies	The impacts of factors affecting the market on a business <i>NOTE: The drawing and interpretation of demand and supply diagrams is not required.</i>
6.1.3	Influence of competition	<input type="checkbox"/> number of competitors, size of competitors, behaviour of competitors	The impacts of competition on a business

6.2 The global market			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
6.2.1	International trade	<input type="checkbox"/> imports, exports, open trade, trade agreements, protectionism (including tariffs and quotas), exchange rates (appreciation and depreciation)	Calculation, interpretation and use of exchange rates The impacts and importance of international trade on a business
6.2.2	Multinational business considerations	<input type="checkbox"/> cultural differences, different political environments, different legal environments	The impacts and importance of multinational business considerations
6.2.3	Influence of global contexts on a business	<input type="checkbox"/> improvements in communication, liberalisation of trade, transport infrastructure, global competition	The impacts and importance of global contexts on a business

6.3 Political, social, economic and technological influences			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
6.3.1	Political influences on a business	<input type="checkbox"/> government policies, political stability	The impacts and importance of political influences on a business
6.3.2	Economic influences <ul style="list-style-type: none"> • Economic influences on a business • Influence of economic policies on a business 	<input type="checkbox"/> the business cycle (expansion, peak, contraction, trough), consumer income, employment <input type="checkbox"/> taxation (direct and indirect), subsidies, interest rates (Bank of England base rate)	The impacts and importance of the influence of economics and economic policies on a business
6.3.3	Social influences on a business	<input type="checkbox"/> demographics, lifestyle, tastes, culture, fashion, buying behaviour (including online and high street), community and pressure group behaviour	The impacts and importance of social influences on a business
6.3.4	Technological influences on a business	<input type="checkbox"/> cybersecurity, artificial intelligence (AI), mobile and wearable technology, social media, cloud services, automation, robots/drones, electric vehicles	The impacts and importance of technological influences on a business

Strategy, risk and managing change (H436/03)

This component requires students to take a more strategic view of business opportunities, problems and issues. It promotes a holistic understanding of business through business strategy which is about bringing together all the functions of a business and all the influences on the business to design a route that may achieve the business objectives.

Students must use their knowledge and understanding learned earlier in the course to advise a business on how to achieve its objectives. Strategies are not right or wrong; they are different ways to achieve the same goal and must be analysed in terms of their effectiveness in reaching the objective.

Due to the dynamic nature of the external environment, students must apply their understanding of strategy to the business context to be able to make any judgement on the success of a (proposed) strategy.

Implementation of a business strategy involves risk. Students will be able to analyse and evaluate the effectiveness of a business strategy based on risk and the abilities of the stakeholders to manage the change invented in the strategy.

Students will need to draw together knowledge, skills and understanding from all components of the A Level Business course to make connections between different elements of the subject for the synoptic question in the Component 03 examination.

7. Strategy, risk and managing change

7.1 Business planning		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
7.1.1 Business planning <ul style="list-style-type: none"> The purpose of business planning The purpose of a business plan 	<ul style="list-style-type: none"> <input type="checkbox"/> reducing risk, helping a business to succeed <input type="checkbox"/> identifying markets, helping with obtaining finance, identifying the resources a business needs to operate, achieving business objectives 	The impacts and usefulness of business planning and business plans

7.2 Business strategy		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
7.2.1 The meaning and purpose of business strategy	<ul style="list-style-type: none"> <input type="checkbox"/> planning how areas of the business work together to make decisions to achieve objectives in the future 	The importance of business strategy to business success
7.2.2 Models for business strategy <ul style="list-style-type: none"> SWOT analysis PEST analysis Ansoff matrix Porter's five forces 	<ul style="list-style-type: none"> <input type="checkbox"/> strengths, weaknesses, opportunities and threats <input type="checkbox"/> political, economic, social and technological influences <input type="checkbox"/> market penetration, product development, market development, diversification <input type="checkbox"/> threat of substitution, threat of new entry, buyer power, supplier power, competitive rivalry 	Interpretation and use of each model for business strategy The usefulness of models for business strategy

7.3 Strategic decision making and implementation		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
7.3.1 The process of decision making <ul style="list-style-type: none"> Decision making Stages of decision making 	<input type="checkbox"/> opportunity cost, risk, reward, uncertainty <input type="checkbox"/> defining the problem, researching the context, analysing approaches, evaluating solutions	<p>The impacts of decision making and each stage of decision making</p>
7.3.2 Strategic decision making	<input type="checkbox"/> the interdependent nature of business decisions	<p>The impacts of interdependent business decision making, limited to business activity, marketing, people, operations and finance.</p> <p><i>NOTE: The interdependent areas of business are limited to: business activity, marketing, people, operations and finance (Sections 1-5 of the specification).</i></p>
7.3.3 Strategic implementation <ul style="list-style-type: none"> Corporate planning Organisational culture 	<input type="checkbox"/> gathering information, setting objectives, devising strategies, implementing the plan, monitoring, evaluating <input type="checkbox"/> Power Culture, Role Culture, Task Culture and Person Culture	<p>The impacts of business strategy on a business</p> <p>The usefulness of corporate planning</p> <p>The suitability of different organisational cultures</p>

7.4 Investment decisions			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
7.4.1	Investment decisions	<input type="checkbox"/> investment appraisal techniques (payback, average rate of return (ARR), net present value (NPV))	Calculation, interpretation and use of investment appraisal techniques The importance of investment decisions to business success The usefulness of investment appraisal techniques <i>NOTE: Discount factors will be provided and do not need to be calculated.</i>

7.5 Managing risk			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
7.5.1	Risk management <ul style="list-style-type: none"> • Business continuity • Crisis management 	<input type="checkbox"/> contingency plans, disaster recovery plans <input type="checkbox"/> management response, communication response, operational response	The importance of risk management The impacts and usefulness of business continuity and crisis management The suitability of contingency plans, disaster recovery plans and crisis management
7.5.2	Insurance <ul style="list-style-type: none"> • The purpose of insurance • Types of insurance 	<input type="checkbox"/> mitigating risk, financial protection, business confidence <input type="checkbox"/> premises, vehicle, employer liability, public liability	The importance of insurance The suitability of a type of insurance for a business

7.6 Change management		
Content	Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
7.6.1 Causes of change <ul style="list-style-type: none"> Internal causes of change External causes of change 	<input type="checkbox"/> business size and performance, new ownership, leadership, workforce (including demand for flexible working, availability of skills) <input type="checkbox"/> political, economic, social, technological, legal, ethical, environmental, market, competition	The impacts of internal and external causes of change
7.6.2 Effects of change	<input type="checkbox"/> the impact on decision making, competitiveness, stakeholders, business functions (marketing, people, operations, finance)	The importance of the effects of change on a business
7.6.3 Barriers to change	<input type="checkbox"/> resistance from stakeholders, lack of leadership support, unclear vision, insufficient resources, organisational culture	The impacts of each barrier to change
7.6.4 Managing and implementing change <ul style="list-style-type: none"> Lewin's force field analysis Critical Path Analysis (CPA) 	<input type="checkbox"/> driving forces, restraining forces <input type="checkbox"/> CPA networks, minimum project duration, the critical path, total float, free float	The impacts of driving and restraining forces and critical path analysis data The usefulness of Lewin's force field analysis and critical path analysis Calculation of Earliest Start Times (EST), Latest Finish Times (LFT), the critical path, minimum project duration, total float and free float Interpretation and use of critical path analysis (including CPA networks)

7.6 Change management			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
7.6.5	Monitoring change management	<input type="checkbox"/> quantitative data (including output, benchmarking, productivity [including employee productivity]), <input type="checkbox"/> qualitative data (including customer feedback, employee feedback, media coverage)	The impacts and importance of monitoring change management

7.7 Ethical, legal, environmental and sustainability issues			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
7.7.1	Ethical issues <ul style="list-style-type: none"> • Treatment of workers • Treatment of suppliers • Treatment of customers • Community engagement 	<input type="checkbox"/> pay gaps, working conditions, diversity, equity and inclusion <input type="checkbox"/> transparent procurement methods, payment terms, sourcing of materials <input type="checkbox"/> marketing decisions (including pricing decisions, promotion decisions) <input type="checkbox"/> charitable donations, sponsorships, employee volunteer programmes	The impacts and importance of ethical issues on a business and its stakeholders
7.7.2	Legal issues <ul style="list-style-type: none"> • Consumer protection 	<input type="checkbox"/> as described, fit for purpose, satisfactory quality, services carried out with reasonable care and skill, services carried out in a reasonable time frame	The impacts and importance of legal issues on a business and its stakeholders

7.7 Ethical, legal, environmental and sustainability issues			
Content		Points to include (Breadth)	Guidance (Depth) (read with Specification terms and Usage table)
	<ul style="list-style-type: none"> Employee protection 	<input type="checkbox"/> minimum wage, working time, employment contracts, health and safety, unfair dismissal	
7.7.3	Environmental issues	<input type="checkbox"/> air pollution, noise pollution, water pollution, climate change, congestion, destruction of the environment, waste disposal, environmental audit	The impacts and importance of environmental issues on a business and its stakeholders
7.7.4	Sustainability <ul style="list-style-type: none"> What is sustainability? Sustainability considerations 	<input type="checkbox"/> the three pillars of sustainability (social, economic, environmental) <input type="checkbox"/> supply chain transparency and traceability, net zero, circular economy, nature positive approaches, the three Rs (reduce, reuse, recycle), green technology, greenwashing	The impacts and importance of sustainability and sustainability considerations on a business and its stakeholders
7.7.5	Environmental, Social and Governance (ESG)	<input type="checkbox"/> ESG reporting (including waste reduction, carbon emissions, responsible sourcing)	The impacts and importance of ESG reporting

3.1 Quantitative skills in Business

In order to be able to develop their skills, knowledge and understanding in Business, learners need to have acquired competence in the quantitative skills that are relevant to the subject content, and which are applied in the context of a Business A Level, including:

- calculate, use and understand ratios, averages and fractions
- calculate, use and understand percentages and percentage changes
- construct and interpret a range of standard graphical forms
- interpret index numbers
- calculate cost, revenue, profit and break-even
- calculate investment appraisal outcomes and interpret results
- interpret values of price and income elasticity of demand
- use and interpret quantitative and non-quantitative information in order to make decisions
- interpret, apply and analyse information in written, graphical and numerical forms.

The assessment of quantitative skills will include at least level two mathematical skills as a minimum of 10% of the overall A Level marks.

These quantitative skills may be assessed across the assessment objectives.

We will provide a list of formulae for the assessments which can be found on our website. You will be able to use the formulae booklet during teaching and learning. Students will not be permitted to bring an annotated version into the exam, but a clean copy will be provided. The formulae provided will be for selected business elements only. Formulae will not include basic level 2 mathematical skills which students would still be required to have learnt, such as calculating percentage change (any size increase and decrease), and original value after percentage change.

3.2 Aims and learning outcomes

We believe in developing specifications that help you bring the subject to life and inspire your students to achieve more.

We've created a teacher-friendly specification based on extensive research and engagement with teachers. It's designed to be straightforward and accessible so that you can tailor the delivery of the course to suit your needs. We aim to encourage students to become responsible for their own learning, confident in discussing ideas, innovative and engaged.

The Cambridge OCR Level 3 Advanced GCE in Business encourages students to:

- develop an enthusiasm for studying business
- gain a holistic understanding of business in a range of contexts
- develop a critical understanding of organisations and their ability to meet society's needs and wants
- understand that business behaviour can be studied from a range of perspectives
- generate enterprising and creative approaches to business opportunities, problems and issues
- be aware of the ethical dilemmas and responsibilities faced by organisations and individuals
- acquire a range of relevant business and generic skills, including decision making, problem solving, the challenging of assumptions and critical analysis
- apply numerical skills in a range of business contexts

The main purpose of this qualification is to prepare students by providing a suitable foundation for the study of business or related courses in Higher Education. A further purpose of this qualification is to prepare students intending to pursue careers or further study in social sciences, or as part of a general education. In addition, the qualification aims to develop students' interest in and enthusiasm for the subject and inspire them to take an interest in further study and careers within business.

4. Assessment

4.1 Forms of assessment

For the Cambridge OCR Level 3 Advanced GCE in Business, students must take all question papers as detailed in the table below.

(01) Business activity, marketing and people	
2 hours Written paper Externally assessed Three sections Students answer all questions 90 marks*	Section A: Multiple choice 20 questions from across the component content. Section B: will focus on a case study (either a real business or a fictitious one) on content drawn from this component. These will range from short answer to extended response questions. Section C: will focus on a case study (either a real business or a fictitious one) on content drawn from this component. These will range from short answer to extended response questions.
33.3 % of the total A Level	
(02) Operations, finance and external influences	
2 hours Written paper Externally assessed Three sections Students answer all questions 90 marks*	Section A: Multiple choice 10 questions from across the component content. Section B: will focus on a case study (either a real business or a fictitious one) on content drawn from this component. These will range from short answer to extended response questions. Section C: will focus on a case study (either a real business or a fictitious one) on content drawn from this component. These will range from short answer to extended response questions.
33.3 % of the total A Level	
(03) Operations, finance and external influences	
2 hours Written paper Externally assessed Three sections Students answer all questions 90 marks*#	Section A: Multiple choice 10 questions from across the component content. Section B: will focus on a case study (either a real business or a fictitious one) on content drawn from this component. These will range from short answer to extended response questions. Section C: will focus on a case study (either a real business or a fictitious one) on content drawn from this component. These will range from short answer to extended response questions as well as a synoptic question.
33.3 % of the total A Level	

* Quality of extended response questions

Synoptic question

4.2 Assessment of extended response

The assessment materials for this qualification provide students with the opportunity to demonstrate their ability to construct and develop a sustained and coherent line of reasoning and marks for extended responses are integrated into the marking criteria. There are **five** quality of extended response questions in this qualification, two in Components 01 and 02 and one in Component 03. These will be marked with an asterisk (*).

4.2 Assessment objectives (AOs)

There are four assessment objectives for this qualification that students are expected to achieve.

Assessment objectives	
AO1	Demonstrate knowledge of terms, concepts, theories, methods and models to show an understanding of how individuals and organisations are affected by, and respond to business issues.
AO2	Apply knowledge and understanding to various business contexts to show how individuals and organisations are affected by and respond to issues
AO3	Analyse issues within business showing an understanding of the impact on individuals and organisations of external and internal influences.
AO4	Evaluate quantitative and qualitative information to make informed judgements and propose evidence-based solutions to business issues.

The relationship between the assessment objectives and the components is shown in the following table:

Component	% of overall A Level			
	AO1	AO2	AO3	AO4
Business activity, marketing and people (H436/01)	7.7	7.7	8.8	8.8
Operations, finance and external influences (H436/02)	7.7	7.7	8.8	8.8
Strategy, risk and managing change (H436/03)	7.7	7.7	8.8	8.8
Total	23.1%	23.1%	23.1%	23.1%

4.3 Command words

The table below highlights the command words used in this qualification's assessments.

Key command word	Mark tariff	AO1	AO2	AO3	AO4	Business usage
Identify	1	100%				Recognise or select a specific piece of information
State	1-2	100%				Provide a concise answer, often in one or two sentences, without the need for a detailed explanation.
Explain (no context)	2-4	100%				Clarify a concept or process by providing more detailed/greater depth of understanding.
Explain (context)	2-4	50%	50%			Clarify a concept or process by providing more detailed/greater depth of understanding and applying the response to the context given.
Calculate	1-4		100%			Perform a mathematical operation to determine a specific value or result.
Complete	1-4		100%			Use the context to fill in missing information, such as gaps in a table, diagram or graph.
Analyse	8	25%	25%	50%		Break down information into parts, examining relationships, causes or implications.
Analyse/Recommend/Justify (in combination) without instruction to use the case study	14	14%	14%	29%	43%	Examine details critically to propose a solution to business issues.
Analyse/Recommend/Justify (in combination) with instruction to use the case study	14	14%	14%	29%	43%	Examine details critically to make an informed judgement on business issues.
Evaluate with suggest	14	14%	14%	29%	43%	Assess the factors affecting an idea, decision or situation, concluding with a justified judgement and proposed solution.

4.4 Synoptic assessment

The study of business, by its nature, is holistic (as per the DfE subject content) and the need to understand how businesses operate, across different industries, sizes, ownership types and environments is a vital element of this qualification. As such, many 14-mark questions will be designed to test holistic understanding of business and students will be credited for any relevant material used within assessments.

Synoptic assessment is the students' understanding of the connections between different elements of the subject. It involves the explicit drawing together of knowledge, skills and understanding from across different parts of the A Level course. Synoptic questions are specifically designed to assess a student's ability to draw together knowledge, skills and understanding from across the full course of study.

The final question in Component 03 will be synoptic. This question will include the stem 'Using knowledge and understanding from across the full course of study' which is used to indicate to students this is a synoptic question. To achieve full marks students will be required to use their knowledge and understanding from **relevant** areas of study drawn from across the three components. The marks assigned to synopticity are indicated with a hashtag symbol (#) in the mark scheme.

4.5 Calculating qualification results

A student's overall qualification grade will be calculated by adding together their marks from the three question papers taken to give their total weighted mark.

This mark will then be compared to the qualification level grade boundaries for the relevant exam series to determine the student's overall qualification grade.

5. Admin

5.1 Before you start

5.1.1 Prior knowledge, learning and progression

No prior knowledge of the subject is required. The specification builds on, but does not depend on, the knowledge, understanding and skills specified for GCSE Business.

Students who are beginning an A Level course are likely to have followed a Key Stage 4 programme of study and as such possess skills in numeracy and literacy. This course will enable students to progress to higher study or to progress directly to employment.

5.1.2 Total qualification time

Total qualification time (TQT) is the total amount of time, in hours, expected to be spent by a student to achieve a qualification. It includes both guided learning hours and hours spent in preparation, study and assessment.

The total qualification time for the Cambridge OCR Level 3 Advanced GCE in Business is 360 hours. The total guided learning time is 360 hours.

5.1.3 Overlap with other qualifications

There is no significant overlap between the content of this specification and those for other A Level qualifications.

5.1.4 Qualification availability outside of England

This qualification is available in England. For Wales and Northern Ireland please check the Qualifications in Wales Portal (QIW) or the Northern Ireland Department of Education Performance Measures / Northern Ireland Entitlement Framework Qualifications Accreditation Number (NIEFQAN) list to see current availability.

5.1.5 Language

This qualification is available in English only. All assessment materials are available in English only and all candidate work must be in English.

5.1.6 Assessment availability

There will be one examination series available each year in May/June to **all** students.

This specification will be certificated from the June 2027 examination series onwards.

All examined question papers must be taken in the same examination series at the end of the course.

5.1.7 Special consideration

Special consideration is a post-assessment adjustment to marks or grades to reflect temporary injury, illness or other indisposition at the time the assessment was taken. Detailed information about eligibility for special consideration can be found in the JCQ: *A guide to the special consideration process*.

5.1.8 Malpractice

Any breach of the regulations for the conduct of examinations may constitute malpractice (which includes maladministration) and must be reported to us as soon as it is detected. Detailed information on malpractice can be found in the JCQ: *Suspected Malpractice in Examinations and Assessments: Policies and Procedures*.

5.1.9 Access arrangements and reasonable adjustments

Reasonable adjustments and access arrangements allow students with special educational needs, disabilities or temporary injuries to access the assessment and show what they know and can do, without changing the demands of the assessment. Applications for these should be made before the examination series. Detailed information about eligibility for access arrangements can be found in the JCQ: *Access Arrangements and Reasonable Adjustments*.

5.1.10 External assessment arrangements

Regulations governing examination arrangements are contained in the JCQ: *Instructions for Conducting Examinations*.

5.1.10.1 Private candidates

Private candidates may enter for Cambridge OCR assessments.

A private candidate is someone who pursues a course of study independently but takes an examination or assessment at an approved examination centre. A private candidate may be a part-time student, someone taking a distance learning course, or someone being tutored privately. They must be based in the UK.

Private candidates need to contact our approved centres to establish whether they are prepared to host them as a private candidate. The centre may charge for this facility, and we recommend that the arrangement is made early in the course.

Further guidance for private candidates may be found on our [website](#).

5.1.10.2 Use of calculators

Students are permitted to use a scientific or graphical calculator for all components. Calculators are subject to the rules in the document: *Instructions for Conducting Examinations* published annually by [JCQ](#).

5.2 Making entries

5.2.1 Pre-assessment

5.2.1.1 Estimated entries

Estimated entries are your best projection of the number of students who will be entered for a qualification in a particular series. Estimated entries should be submitted to us by the specified deadline. They are free and do not commit your centre in any way.

5.2.1.2 Final entries

Final entries provide us with detailed data for each student, showing each assessment to be taken. It is essential that you use the correct entry code, considering the relevant entry rules.

Final entries must be submitted to us by the published deadlines or late entry fees will apply.

All students taking our qualification must be entered for H436.

Entry code	Title	Component code	Component title	Assessment type
H436	Cambridge OCR Level 3 Advanced GCE in Business	01	Business activity, marketing and people	External assessment
		02	Operations, finance and external influences	External assessment
		03	Strategy, risk and managing change	External assessment

5.2.2 Collecting evidence of student performance to ensure resilience in the qualifications system

Regulators have published guidance on collecting evidence of student performance as part of long-term contingency arrangements to improve the resilience of the qualifications system. You should review and consider this guidance when delivering this qualification to students at your centre.

For more detailed information on collecting evidence of student performance, please visit our [website](#).

5.2.3 Retaking the qualification

Students can retake the qualification as many times as they wish. They retake all components of the qualification.

5.3 After the exams

5.3.1 Results and certificates

5.3.1.1 Grade scale

A Level qualifications are graded on the scale: A*, A, B, C, D, E, where A* is the highest. Students who do not reach the minimum standard of E will be Unclassified (U). Only subjects in which grades A* to E are attained will be recorded on certificates.

5.3.1.2 Results

Results are released to centres and students for information and to allow any queries to be resolved **before** certificates are issued.

Centres will have access to the following results information for each student:

- grade for the qualification
- raw mark for each component
- total weighted mark for the qualification.

The following supporting information will be available:

- raw mark grade boundaries for each component
- weighted mark grade boundaries for the qualification.

Until certificates are issued, results are deemed to be provisional and may be subject to amendment.

5.3.2 Post-results services

A number of post-results services are available:

Review of results – If you are not happy with the outcome of a student's results, centres may request a review of marking.

Missing and incomplete results – This service should be used if an individual subject result for a student is missing, or the student has been omitted entirely from the results supplied.

Access to scripts – Centres can request access to marked scripts.



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