

Please read in conjunction with the information provided in the introductory section above.

AEA IN BUSINESS TEST SPECIFICATION

1. AIMS

The AEA in business will require candidates to demonstrate a greater depth of understanding than required at Advanced GCE and VCE level. Candidates should apply this understanding creatively in critical analysis, synthesis and evaluation.

The award will encourage candidates to:

- identify key components of complex business problems, evaluating the significance and sufficiency of available evidence, and analyse the interconnected nature of these components;
- demonstrate an appreciation of the impact of the wider external environment on business activities, showing an understanding of how this can influence solutions to complex business problems;
- apply appropriate business theories and techniques to complex business problems, proposing coherent and creative solutions;
- explore a range of perspectives when dealing with complex business problems, appreciating the difficulties faced by businesses when implementing change.

2. CONTENT

The content of the AEA in business is based on the knowledge, understanding and skills of the Advanced GCE and VCE subject criteria, with emphasis on:

- the setting and significance of business objectives;
- the impact of the external environment, including social and ethical implications;
- the wider meaning of entrepreneurial behaviour within an organisation;
- the construction and implementation of strategies for marketing, production, human, physical and financial resources;
- the nature and significance of stakeholder conflict and its resolution.

In relation to the construction, implementation and monitoring of business strategies, candidates should:

- identify and analyse the key components of complex business problems and propose possible solutions to these problems. They fulfil these tasks by using business theories and concepts to analyse and evaluate business data taken from a range of sources and stakeholder perspectives;
- respond to strategic problem-solving tasks, accurately using, in the context of changing business environments:
 - quantitative techniques such as random and quota sampling, analysis of survey results, use of secondary (including government) statistics, calculation and interpretation of cash flow forecast, cash budgets, calculation and interpretation of adverse and positive variances, adjustments to profit and loss accounts and balance sheets, ratio analysis (acid test, asset turnover, stock turnover and debtor days, gearing, profit margins and return on capital, shareholders ratios: dividend per share and dividend yield);
 - and/or qualitative techniques and concepts.

3 ASSESSMENT OBJECTIVE

The AEA in business will assess candidates' abilities to apply and communicate effectively their knowledge and understanding of business using the skills of critical analysis, evaluation and synthesis in order to reach clear, logical and coherent judgements.

4 SCHEME OF ASSESSMENT

Assessment will be 100% external by a three-hour written examination, of which up to 30 minutes will be recommended as reading time. The examination will be taken under controlled conditions and will comprise two equally weighted and timed elements. Candidates will answer the questions in the form of extended writing.

The questions will be based on a range of data using scenarios taken from real business situations. These data will be presented in a variety of formats. No materials will be pre-issued.

The assessment model will conform to the following principles.

- The full range of the aims and the breadth of the assessment objective will be reflected;
- The choice of data and topics covered will not disadvantage candidates who have studied a particular specification;
- Section A will test candidates' ability to interpret a complex business situation; Section B will require candidates to develop a strategy for addressing a problem or opportunity. This strategy can either focus upon a functional area or tackle the issue holistically from a corporate perspective.

Use of Resources

In common with Advanced GCE and VCE examinations, the use of dictionaries will not be permitted. The use of any other resources will take into full account the need to ensure fairness to all candidates and the rigour of assessment. Candidates should be allowed access to calculators. The data needed will be provided as a case study booklet with the examination paper.

5 PERFORMANCE LEVEL DESCRIPTORS

Performance level descriptors indicate the level of attainment characteristic of Merit and Distinction. They give a general indication of the required learning outcomes at each level. The grade awarded will depend in practice upon the extent to which the candidate has met the assessment objective overall.

Distinction

Candidates:

- demonstrate knowledge and understanding of business theories and apply this knowledge and understanding effectively to complex business issues; demonstrate the value and limitations of business techniques;
- display a high degree of skill in organising complex material from a range of sources using appropriate business terminology with confidence and accuracy;
- interpret complex data perceptively, seeing the links between and conflicts within these data and making effective judgements on their quality;
- select and use appropriate quantitative and qualitative techniques and or theories to analyse complex business situations; identify and assess the use of further information necessary to formulate an argument or strategy.
- synthesise information from a range of viewpoints to reach reasoned judgements and conclusions;
- propose effective strategies to resolve complex business problems; show innovation and creativity within the solutions offered whilst being sensitive to constraints within and outside the business;
- communicate complex information and ideas in a highly effective manner making use of the most appropriate form and style; ensure that grammar and punctuation are accurate so that meaning is clear.

Merit

Candidates:

- demonstrate knowledge and understanding of business theories and apply this knowledge and understanding to complex business; demonstrate the value and limitations of business techniques;
- organise complex material from a range of sources using appropriate business terminology with confidence and accuracy;
- display skill in interpreting complex business data, selecting and using appropriate quantitative and qualitative business techniques and/or theories to analyse complex business problems;
- identify and explain the use of further information necessary to formulate an argument or strategy.
- synthesise information from a range of viewpoints to reach reasoned judgements and conclusions;
- propose effective strategies to resolve complex business problems and are aware of the relative merits of these strategies;
- communicate complex information and ideas effectively in an appropriate form and style; ensure that grammar and punctuation are accurate so that meaning is clear.