

# BUSINESS STUDIES

## **INTRODUCTION**

This syllabus should be read in conjunction with the official MATSEC Syllabus for Business Studies.

The titles, subject foci numbers, learning outcomes titles and numbers and lettering are the same as those in the official Matsec syllabus. This would make it easier for teachers and learners to correlate the teaching in class with the official Matsec syllabus.

The aim of this syllabus is to spread the whole material over the three years of secondary school education for State Schools. This would create uniformity among the different schools for the purpose of setting annual examination. Moreover, this caters for the need of certain learners who may need to change their school throughout their educational voyage. Thus, learners will not find that they have missed a part of the content while repeating other content if they need to change schools.

The teacher still has some flexibility in the order to tackle the topics, as long as topics are not shifted from one year to another. For example, the teacher may decide to cover Subject Focus 8 (Marketing) before Subject Focus 7 (Human Resources) in Year 10. Likewise, a teacher may decide to cover the production function in Subject Focus 5 in Year 10 before the Purchasing Function in the same subject focus. But the teacher cannot decide to shift a subject focus from one year to another.

This syllabus will become effective as from September 2022, with the first SEC examination being held in 2025.

## Coursework Assessment

The coursework assessments consists of **FOUR** practical assignments consisting of at least **TWO** of the following modes:

- (i) Presentation (oral and written);
- (ii) Case Study Investigation Report;
- (iii) Research Project;
- (iv) Site Visit Report;
- (v) Synoptic Essay.

The coursework assessment carries 40% of the total mark, with each practical assignment carrying 10% of the total mark.

There will be **one** coursework assignment in Year 9; **two** coursework assignments in Year 10 and **one** coursework assignment in Year 11. The coursework assignments should be spread as follows throughout the three years of secondary school education:

Year 9	3 Financial Literacy
Year 10	7 Human Resources
Year 10	8 Marketing
Year 11	2 Entrepreneurship

Throughout the three years, at least **two** different assignment modes should be used.

A Learning Outcome cannot be assessed more than once by means of a coursework assignment.

For further details about coursework assignments, please look at the official SEC syllabus.



<p>1.1c Define factors of production.</p>	<p>1.2c Classify the inputs of the production process (factors of production) into land, labour, capital and entrepreneurship.</p>	<p>1.3c Examine the difference between each of the factors of production.</p>
<p>1.1d Define the stages of production. <i>primary, secondary, tertiary</i></p>	<p>1.2d Identify examples of activities in the primary, secondary and tertiary stages of production.</p>	<p>1.3d Explain the interdependence between each stage of production. <i>the chain of production</i></p>
<p>1.1e Describe the output of the production process.</p>	<p>1.2e Classify the output of the production process into goods and services.</p>	<p>1.3e Examine the difference between goods and services.</p>
		<p>1.3f Compare and contrast the private and public sectors in the operation of a mixed economy. <i>ownership, objective, management, control, finance</i></p>
<p>1.1g State the different types of stakeholders of a business. <i>owners/shareholders, potential investors, management, employees, trade unions, finance providers, suppliers, customers, government</i></p>	<p>1.2g Demonstrate why different types of stakeholders may have an interest in a particular business activity.</p>	<p>1.3g Argue about the interests of particular type of stakeholders and why some of these interests might be conflicting.</p>

**Subject Focus 3**  
**Learning Outcome 3:**

**Financial Literacy**

**I can understand how learning about finance can enrich my experience and understanding of the world and how it can be of value throughout my life.**

- Financial literacy;
- Commercial banks;
- Bank statement;
- Budgeting;
- Income;
- Expenditure;
- Credit;
- Credit repayments;
- Business risks;
- Insurable risks;
- Non-insurable risks;
- Credit cards
- Hire purchase;
- Consumer credit.

**Coursework and Controlled**

Assessment Criteria (MQF 1)	Assessment Criteria (MQF 2)	Assessment Criteria (MQF 3)
3.1a Explain what is meant by financial literacy.	3.2a List a number of topics that fall under the heading of financial literacy.	3.3a Give reasons for the importance of financial literacy as a life-long learning outcome and specifically for young people.

<p>3.1b List services offered by banks.</p> <p><i>accepting deposits, transferring money between accounts, lending money</i></p>	<p>3.2b Explain the personal services that a commercial bank has to offer.</p> <p><i>loans, overdrafts, deposits, advice, investments, safe keeping, internet banking, plastic money, etc.</i></p>	<p>3.3b Assess the benefits of using the personal services that a commercial bank has to offer.</p>
<p>3.1c Name terms in a bank statement.</p> <p><i>standing order, direct debit</i></p>	<p>3.2c Interpret the terms and figures in a bank statement.</p>	
<p>3.1d Name terms relating to personal budgeting.</p> <p><i>overspending, saving, contingency planning, contributing towards the community, the notion of credit</i></p>	<p>3.2d Explain terms relating to personal budgeting.</p> <p><i>overspending, saving, contingency planning, contributing towards the community, the notion of credit</i></p>	<p>3.3d Distinguish personal income from personal expenditure.</p>
<p>3.1e Describe a personal, simple, short-term budget, taking into consideration expected income, expenditure and any credit repayments.</p>	<p>3.2e Develop a personal budget, taking into consideration expected income, expenditure and any credit repayments.</p>	<p>3.3e Analyse a personal budget, taking into consideration expected income, expenditure and any credit repayments.</p>
<p>3.1f List of business risks.</p> <p><i>commercial risks, financial risks, health and safety risks, operational risks, reputational risks</i></p>	<p>3.2f Describe business risks.</p> <p><i>commercial risks, financial risks, health and safety risks, operational risks, reputational risks</i></p>	<p>3.3f Distinguish between risks faced by businesses including insurable and non-insurable business risks.</p>
<p>3.1g Describe means of consumer credit.</p> <p><i>credit cards, hire purchase</i></p>	<p>3.2g Differentiate between consumer spending by cash to consumer spending made on credit from the consumer's point of view.</p>	<p>3.3g Assess the pitfalls of credit to the consumer.</p> <p><i>SDG 12 (sustainable production and consumption)</i></p>

**Subject Focus 4**  
**Learning Outcome 4:**

**Business Structure and Organisation**

**I can develop an understanding of business structure and organisation in the context of a mixed economy.**

- Limited liability and unlimited liability;
- Business organisations;
- Franchising;
- Shares;
- Bonds (debentures);
- Malta Stock Exchange (MSE);
- Economic systems;
- Nationalisation;
- Privatisation;
- Organisation chart;
- Management;
- Management style;
- Historical stages of business development.

**Controlled**

<b>Assessment Criteria (MQF 1)</b>	<b>Assessment Criteria (MQF 2)</b>	<b>Assessment Criteria (MQF 3)</b>
4.1a Define limited liability.	4.2a Relate the concepts of limited liability and unlimited liability to various types of business organisations.	4.3a Distinguish between unlimited liability and limited liability.

<p>4.1b Outline the types of business organisations.</p> <p><i>sole proprietors, partnerships, private limited companies, public limited companies, co-operatives, public corporations</i></p>	<p>4.2b Describe the basic structure and key features of business organisations.</p> <p><i>sole proprietors, partnerships, private limited companies, public limited companies, co-operatives, public corporations</i></p>	<p>4.3b Compare and contrast the basic structure and key features of business organisations.</p> <p><i>ownership, formation, management, control, finance</i></p> <p><i>sole proprietors, partnerships, private limited companies, public limited companies, co-operatives, public corporation.</i></p>
<p>4.1c Describe a franchise arrangement.</p> <p><i>franchising</i></p>	<p>4.2c Explain how a franchise is set up.</p>	<p>4.3c Evaluate the advantages and disadvantages of a franchise arrangement to the franchisee and to the franchisor.</p>
<p>4.1d Define shares and bonds (debentures).</p>	<p>4.2d Discuss the role of shares and bonds (debentures) in financing limited liability companies.</p>	<p>4.3d Distinguish between shares and bonds (debentures) with reference to their role in financing limited liability companies.</p>
<p>4.1e List the functions of the Malta Stock Exchange (MSE).</p>	<p>4.2e Explain the functions of the Malta Stock Exchange (MSE).</p>	<p>4.3e Analyse how the Malta Stock Exchange (MSE) supports and regulates business activity.</p>
<p>4.1f Name types of economies.</p> <p><i>free market, planned, mixed</i></p>	<p>4.2f Explain the features of types of economies.</p> <p><i>free market, planned, mixed</i></p>	<p>2.3f Compare and contrast types of economies.</p> <p><i>free market, planned, mixed</i></p>
<p>4.1g Describe the process of nationalisation and privatisation in terms of the public sector and the private sector.</p>	<p>4.2g Explain the reasons why a business can be nationalised or privatised.</p>	<p>4.3g Assess the arguments in favour of and against nationalisation and privatisation.</p>

<p>4.1h Sketch an organisation chart.</p> <p><i>functional top-down hierarchy, flat organisational chart</i></p>	<p>4.2h Interpret an organisation chart.</p> <p><i>functional top-down hierarchy, flat organisational chart</i></p>	<p>4.3h Evaluate the advantages and the disadvantages of various forms of organisation charts.</p> <p><i>functional top-down hierarchy, flat organisational chart</i></p>
<p>4.1i Describe different styles of management.</p> <p><i>autocratic, laissez-faire, democratic</i></p>	<p>4.2i Outline the advantages and disadvantages of different styles of management.</p> <p><i>autocratic, laissez-faire, democratic</i></p>	<p>4.3i Discuss the advantages and disadvantages of different styles of management.</p>
<p>4.1j List the various historical stages of business development.</p> <p><i>subsistence economy, industrial revolution, globalisation</i></p>	<p>4.2j Relate the various historical stages of business development in chronological order.</p> <p><i>subsistence economy, industrial revolution, globalisation</i></p>	<p>4.3j Compare the various historical stages of business development in terms of the three stages of production.</p>

YEAR 10

**Subject Focus 5**  
**Learning Outcome 5**

**Purchasing and Production**

**I can demonstrate an understanding of the main functions of the purchasing and production departments within a business organisation.**

- Functions of the purchasing department;
- Choosing suppliers;
- Stock (inventory) management system;
- Processes involved in production;
- Different types of production methods;
- Economies and diseconomies of scale;
- Automation;
- Sustainable production and its impact on the environment;
- Business location.

**Controlled**

Assessment Criteria (MQF 1)	Assessment Criteria (MQF 2)	Assessment Criteria (MQF 3)
5.1a Outline the main functions of the purchasing department within a business organisation.	5.2a Examine the functions of the purchasing department within a business organisation.	5.3a Analyse how the functions of the purchasing department influence other departments within the business organisation.
5.1b Outline the importance of choosing the right suppliers for a business organisation.	5.2b Explain the principles underlying the process of choosing suppliers.	5.3b Discuss the process involved in selecting the right suppliers (including scams).
5.1c Outline inventory management system. <i>stock management system</i>	5.2c Explain why a business needs to have a sound inventory management system with reference to understocking and overstocking.	5.3c Analyse the benefits for a business to have a sound inventory management system (including the consequences of not having a system).

<p>5.1d Name the different production methods.</p> <p><i>job, batch, mass production</i></p>	<p>5.2d Explain the different production methods.</p> <p><i>job, batch, mass production</i></p>	<p>5.3d Evaluate how production methods may change and develop according to the scale of production.</p>
<p>5.1e Define economies and diseconomies of scale.</p>	<p>5.2e Interpret economies and diseconomies of scale using a sketch of the average cost curve.</p>	<p>5.3e Evaluate the effects of automation on a business organisation by reference to its undesirable effects.</p>
<p>5.1f Describe how automation can be used in a business organisation.</p>	<p>5.2f Explain the impact of the introduction or increase of automation on a business organisation.</p>	<p>5.3f Evaluate the effects of automation on a business organisation by reference to its undesirable effects.</p>
<p>5.1g Define sustainable production.</p>	<p>5.2g Demonstrate how businesses may become more environmentally friendly through sustainable production.</p>	<p>5.3g Evaluate how damage to the environment caused by production can be reduced by government action and sustainable production.</p> <p><i>SDG 11(sustainable cities and communities)</i></p>
<p>5.1h Identify the factors which influence business location.</p> <p><i>proximity to raw materials, markets, labour supply, access to transport, industrial inertia, government influences, physical features of the site</i></p>	<p>5.2h Explain the factors influencing business location.</p> <p><i>proximity to raw materials, markets, labour supply, access to transport, industrial inertia, government influences, physical features of the site – push and pull factors</i></p>	<p>5.3h Discuss the push and pull factors of business location.</p>

**Subject Focus 7**  
**Learning Outcome 7:**

**Human Resources**

**I can demonstrate an understanding of the role of the human resources function in a business organisation and industrial relations.**

- The recruitment and selection process;
- Job description and job specification;
- Job advertising media;
- Curriculum vitæ, letter of application and application form;
- Employment interviews;
- Employment contract;
- Duties and rights of both employers and employees;
- Conditions of employment under Maltese law;
- Training;
- Termination of employment;
- Letter of resignation;
- Trade unions;
- Jobsplus.

**Coursework and Controlled**

Assessment Criteria (MQF 1)	Assessment Criteria (MQF 2)	Assessment Criteria (MQF 3)
7.1a State the stages of the recruitment and selection process.	7.2a Describe the stages of the recruitment and selection process.	7.3a Evaluate the importance of each stage of the recruitment and selection process for a business organisation.
7.1b Define a job description and a job specification.	7.2b Prepare a simple job description and a job specification.	7.3b Evaluate a job description and a job specification.
7.1c Identify the different media used for job advertising.	7.2c Explain the advantages and disadvantages of different media used for job advertising.	7.3c Justify the media that should be used for job advertising within a given scenario.

7.1d Define a curriculum vitæ, letter of application, an application form and a letter of resignation.	7.2d Prepare a curriculum vitæ, letter of application, an application form and a letter of resignation and fill in a sample application form.	7.3d Evaluate a curriculum vitæ, letter of application, an application form and letter of resignation.
7.1e Outline the types of employment interviews.  <i>one-to-one, video conferencing, telephone, group</i>	7.2e Discuss how an employee should prepare for an employment interview.	7.3e Demonstrate how an employer would prepare for an employment interview.
7.1f List the main features of an employment contract.	7.2f Explain the main features of an employment contract.	7.3f Examine an employment contract for illegal and unethical aspects.  <i>SDG 8 (inclusive and sustainable growth) SDG 10 (sustainable development goals)</i>
7.1g State the main duties and rights of both employers and employees.	7.2g Explain the basic conditions of employment as specified under Maltese law.	7.3g Evaluate issues relating to the basic conditions of employment as specified under Maltese law and SDG 8 (inclusive and sustainable growth) and SDG 10 (sustainable development goals).
7.1h Identify the different forms of training.  <i>induction, on-the-job training, off-the-job training</i>	7.2h Discuss the advantages and disadvantages of the different forms of training.	7.3h Assess the costs and benefits of the different forms of training for a business organisation.
7.1i Outline the concept of motivation at the place of work.	7.2i Explain how employees can be motivated at the place of work.  <i>financial methods, non-financial methods</i>	7.3i Evaluate critically the misuse of financial and non-financial motivators by employers and employees.

7.1j List ways through which employment can be legally terminated.	7.2j Discuss ways through which employment can be legally terminated.	7.3j Analyse illegal and unethical ways through which employment is terminated.
7.1k Identify the types and aims of trade unions.  <i>general unions, craft unions, white collar unions, house unions</i>	7.2k Discuss the role, aims and importance of trade unions.	7.3k Distinguish between different types of trade unions.
7.1l Identify the role of Jobsplus.	7.2l Explain the functions of Jobsplus.	7.3l Analyse how Jobsplus supports and regulates business activity.

**Subject Focus 8**  
**Learning Outcome 8:**

**Marketing**

**I can demonstrate an understanding of the role of the marketing function in a business organisation.**

- The marketing function;
- Marketing strategy;
- Market research;
- Marketing mix;
- Product design and branding;
- Product packaging;
- Product life cycle;
- Pricing strategies;
- Distribution channels;
- Transportation;
- Advertising and promotion;
- Market segmentation;
- Internet and e-commerce;
- The Malta Competition and Consumer Affairs Authority (MCCAA).

**Coursework**      **and**  
**Controlled**

Assessment Criteria (MQF 1)	Assessment Criteria (MQF 2)	Assessment Criteria (MQF 3)
8.1a Outline the role of the marketing function within a business organisation.	8.2a Explain the importance of the marketing function within a business organisation.	8.3a Evaluate the ethical aspects that a business must take into consideration when creating a marketing strategy.

8.1b Define desk research and field market research.	8.2b Discuss basic desk research and field market research.	8.3b Justify the market research methods that would be most appropriate for particular goods and services.
8.1c Name and identify the elements of the marketing mix (the 7 Ps).	8.2c Explain the elements of the marketing mix (the 7 Ps).	8.3c Develop the marketing mix of a product or service (including customer service).
8.1d Outline product design and branding.	8.2d Explain the importance of product design and branding.	8.3d Examine the design and branding of a product or service.  <i>SDG 13 (Framework Convention on climate change)</i>
8.1e Define product packaging in marketing.	8.2e Explain the importance of product packaging in marketing a business organisation's product.	8.3e Examine the packaging of a product.  <i>SDG 12 (sustainable production and consumption)</i>
8.1f Identify with and without a diagram the stages of the product life cycle.  <i>pre-launch, introduction, growth, maturity, decline</i>	8.2f Explain with or without a diagram the stages of the product life cycle.  <i>pre-launch, introduction, growth, maturity, decline</i>	8.3f Evaluate the methods of extending the life cycle of a product.
8.1g Identify the different pricing strategies.  <i>cost plus pricing, creaming the market, penetration pricing</i>	8.2g Explain the characteristics of the different pricing strategies used by a business organisation.  <i>cost plus pricing, creaming the market, penetration pricing</i>	8.3g Evaluate the pricing strategies used by a business organisation.  <i>cost plus pricing, creaming the market, penetration pricing</i>

8.1h State the different channels of distribution.	8.2h Explain the functions of the different channels of distribution.	8.3h Examine a business organisation's choice of distribution channel(s).
8.1i State the different forms of transportation used to deliver products to customers.	8.2i Explain the advantages and disadvantages of different forms of transportation that can be used by a business organisation to deliver products to customers.  <i>SDG 13 (Framework Convention on climate change)</i>	8.3i Assess an organisation's choice of transportation mode used to deliver products to customers.  <i>SDG 11(sustainable cities and communities)</i> <i>SDG 13 (Framework Convention on climate change)</i>
8.1j Define promotion.  <i>sales promotion, advertising, direct selling</i>	8.2j Explain the advantages and disadvantages of advertising.	8.3j Discuss an organisation's choice of promotion methods.
8.1k Define market segmentation.	8.2k Describe the types of market segmentation.	8.3k Analyse a market to identify categories of consumers (target markets).  <i>SDG 13 (Framework Convention on climate change)</i>
8.1l Outline how the internet and e-commerce are used in marketing.	8.2l Explain the effect of the internet and e-commerce on marketing.	8.3l Assess an organisation's use of the internet and e-commerce to market its products and services.
8.1m Identify the role of the Malta Competition and Consumer Affairs Authority (MCCAA).	8.2m Explain the functions of the Malta Competition and Consumer Affairs Authority (MCCAA).	8.3m Analyse how the Malta Competition and Consumer Affairs Authority (MCCAA) supports and regulates business activity.

## Year 11

<b>Subject Focus 2</b> <b>Learning Outcome 2:</b>	<b>Entrepreneurship</b>
<b>Coursework and Controlled</b>	<p><b>I can demonstrate an understanding and awareness of entrepreneurship and related skills.</b></p> <ul style="list-style-type: none"> <li>➤ Role and qualities of an entrepreneur;</li> <li>➤ Factors encouraging entrepreneurship;</li> <li>➤ The services of commercial banks to the entrepreneur;</li> <li>➤ The business plan;</li> <li>➤ The role of research and development;</li> <li>➤ Collaborative team working;</li> <li>➤ Effective communication process;</li> <li>➤ Problems in communication;</li> <li>➤ Internal and external communication methods;</li> <li>➤ Ethical business activity – its costs and benefits;</li> <li>➤ Social entrepreneurship;</li> <li>➤ Costs and benefits resulting from business activity;</li> <li>➤ Change in a business;</li> <li>➤ Resistance to change;</li> <li>➤ Malta Enterprise and Department of Commerce.</li> </ul>

Assessment Criteria (MQF 1)	Assessment Criteria (MQF 2)	Assessment Criteria (MQF 3)
2.1a Recognise the functions of an entrepreneur.  <i>risk taking, organisation, management</i>	2.2a Examine the role and functions of an entrepreneur.  <i>risk taking, organisation, management</i>	2.3a Discuss the role and functions of an entrepreneur in the creation of employment and wealth.  <i>SDG 8 (inclusive and sustainable growth)</i>

2.1b Recognise the factors which encourage entrepreneurship.	2.2b Describe factors in fostering an entrepreneurship climate.	2.3b Evaluate factors that enhance entrepreneurship and others that hinder the entrepreneurial spirit.
2.1c Identify the services that commercial banks offer to entrepreneurs.	2.2c Describe the support that commercial banks can offer to businesses.	2.3c Assess the aid offered by commercial banks to entrepreneurs.
2.1d List components of a business plan.  <i>business description, organisation management, market analysis, sales strategy, funding, financial projections</i>	2.2d Explain the importance of a business plan.	2.3d Evaluate a business plan, including modifications for improvement.
		2.3e Design a simple business plan.  <i>business description, organisation management, market analysis, sales strategy, funding</i>
2.1f Define research and development and its importance for business development.	2.2f Describe the role of research and development in the progress of an entrepreneurial activity.	2.3f Evaluate the role of research and development for business and product development.  <i>SDG 9 (sustainable development: infrastructure, industrialisation and innovation)</i>
2.1g Communicate effectively in a team.	2.2g Demonstrate the importance of collaborative teamwork and ways of preventing communication problems.	2.3g Assess a good communication process and ways to alleviate communication problems and resolve conflicts.

<p>2.1h Name the different types of internal and external communication methods.</p> <p><i>oral, written, non-verbal</i></p>	<p>2.2h Differentiate between internal and external communication methods.</p>	<p>2.3h Explain the appropriate use of internal and external communication.</p>
<p>2.1i Mention ethical and unethical business practices.</p> <p><i>SDG 13 (Framework Convention on climate change)</i></p>	<p>2.2i Outline the role of social entrepreneurship.</p> <p><i>SDG 13 (Framework Convention on climate change)</i></p>	<p>2.3i Prepare a basic statement of profit or loss (excluding year-end adjustments).</p> <p><i>SDG 8 (inclusive and sustainable growth), SDG 13 (Framework Convention on climate change)</i></p>
<p>2.1j Outline the costs and benefits resulting from business activity.</p>	<p>2.2j Explain, with examples, the risks and rewards resulting from the activity of business.</p>	<p>2.3j Draw up a cost-benefit analysis emerging from particular business activities.</p> <p><i>internal costs, external costs, internal benefits, external benefits</i></p>
<p>2.1k State the need for initiating change in a business.</p>	<p>2.2k Show the need for initiating change and responding to change in a business.</p>	<p>2.3k Argue about the need for initiating and responding to change in a business and overcoming resistance to change.</p>
<p>2.1l Identify the role of Maltese entities that support and regulate business activity.</p> <p><i>Malta Enterprise, Department of Commerce</i></p>	<p>2.2l Explain the functions of entities in Malta that support and regulate business activity.</p> <p><i>Malta Enterprise, Department of Commerce</i></p>	<p>2.3l Analyse how Maltese entities support and regulate business activity.</p> <p><i>Malta Enterprise, Department of Commerce</i></p>

**Subject Focus 6**  
**Learning Outcome 6:**

**Finance**

**I can demonstrate an understanding of the importance of finance in a business organisation.**

- Business financing;
- Sources of finance;
- Malta Financial Services Authority (MFSA);
- Fixed costs, variable costs, total cost;
- Capital expenditure and revenue expenditure;
- Statement of Profit or Loss;
- Statement of Financial Position;
- Accounting ratios.

**Controlled**

Assessment Criteria (MQF 1)	Assessment Criteria (MQF 2)	Assessment Criteria (MQF 3)
6.1a Recognise that a business needs to be financed.	6.2a Explain the reasons for business financing.	6.3a Analyse why different types of business organisations have different financial needs.
6.1b List internal and external sources of business finance.  <i>internal – sale of non-current assets, retained profits, reducing inventory; external – loans, bonds (debentures), shares, overdraft, hire-purchase, leasing, EU funds, crowdfunding</i>	6.2b Explain types of internal and external sources of finance used by businesses.  <i>internal – sale of non-current assets, retained profits, reducing inventory; external – loans, bonds (debentures), shares, overdraft, hire-purchase, leasing, EU funds, crowdfunding</i>	6.3b Compare and contrast sources of finance available to businesses.  <i>internal – sale of non-current assets, retained profits, reducing inventory; external – loans, bonds (debentures), shares, overdraft, hire-purchase, leasing, EU funds, crowdfunding</i>
6.1c List the functions of the Malta Financial Services Authority (MFSA).	6.2c Explain the functions of the Malta Financial Services Authority (MFSA).	6.3c Analyse how the Malta Financial Services Authority supports and regulates business activity.

6.1d Classify total costs into fixed costs and variable costs.	6.2d Explain fixed cost, variable cost and total cost.	6.3d Differentiate between fixed cost, variable cost and total cost.
6.1e Classify transactions into capital expenditure and revenue expenditure of a business organisation.	6.2e Explain capital expenditure and revenue expenditure of a business organisation.	6.3e Relate capital expenditure and revenue expenditure to the financial statements of a sole trader business.
6.1f Define a Statement of Profit or Loss and a Statement of Financial Position.	6.2f Explain why businesses should prepare a Statement of Profit or Loss and a Statement of Financial Position.	
6.1g Identify the main sections in a Statement of Profit or Loss and in a Statement of Financial Position of sole traders.	6.2g Calculate missing figures in a given Statement of Profit or Loss and a Statement of Financial Position of sole traders.  (Exclusion note: carriage, returns, irrecoverable debts, allowance for doubtful debts and depreciation are excluded.)	6.3g Interpret missing figures in a given Statement of Profit or Loss and a Statement of Financial Position of sole traders.  (Exclusion note: carriage, returns, irrecoverable debts, allowance for doubtful debts and depreciation are excluded.)
6.1h Calculate accounting ratios.  <i>gross profit margin, net profit margin, return on capital employed, current ratio, inventory turnover</i>  (Note: formulæ will be made available for the calculation of ratios.)	6.2h Explain profitability and liquidity of a business using accounting ratios.  <i>gross profit margin, net profit margin, return on capital employed, current ratio, inventory turnover</i>  (Note: formulæ will be made available for the calculation of ratios.)	6.3h Compare profitability and liquidity of a business using accounting ratios.  <i>gross profit margin, net profit margin, return on capital employed, current ratio, inventory turnover</i>  (Note: formulæ will be made available for the calculation of ratios.)

**Subject Focus 9**  
**Learning Outcome 9:**

**International Trade**

**I can demonstrate an understanding and awareness of the factors relevant to foreign trade and fair trade.**

- The importance of international trade;
- Imports and exports;
- The Balance of Payments, trade deficit and trade surplus;
- The difficulties and strengths that local businesses experience when trading with other countries;
- The European Union and the euro area (Eurozone);
- Protectionism and arguments against protectionism;
- Multinationals;
- Globalisation;
- Fair trade in a globalised world.

**Controlled**

Assessment Criteria (MQF 1)	Assessment Criteria (MQF 2)	Assessment Criteria (MQF 3)
9.1a Outline the importance of international trade.	9.2a Examine the importance of foreign trade with reference to visible and invisible trade.	9.3a Evaluate the importance of international trade to small island states.
9.1b Outline the difference between a trade deficit and a trade surplus.	9.2b Describe briefly the components of the current account of the Balance of Payments which give rise to a trade deficit or surplus.	
9.1c State the difficulties that local businesses face when trading with other countries.	9.2c Describe the problems of local businesses trading with other countries and ways of overcoming them.	9.3c Discuss how Malta's membership in the European Union and the euro area (Eurozone) alleviate the difficulties of trading overseas.
9.1d Outline the role of protectionism within the international economy.	9.2d Examine the ways in which protectionism is carried out by countries (tariffs, quotas, subsidies, exchange controls).	9.3d Critically evaluate the ways used by countries to correct a Balance of Payments deficit and arguments against protectionism.

9.1e Define multinationals.	9.2e Relate multinationals to globalisation.	9.3e Analyse the effect of multinationals on the local economy.
9.1f Define fair trade.	9.2f Demonstrate the importance of fair trade within the globalised world.  <i>SDG 12 (sustainable production and consumption)</i>	9.3f Establish concrete steps in which a person can give a contribution towards fair trade in a globalised world.  <i>SDG 12 (sustainable production and consumption)</i>