

## BUSINESS STUDIES

### FORM 5 Syllabus 2015/6

1.	<b>BUSINESS STRUCTURE &amp; ORGANISATION</b>	
	(a) Historical overview of business development (subsistence economies, crafts industry, industrial revolution, globalisation)	A brief historical overview with special reference to globalisation.
	(b) Business in a Changing environment	<p>The Impact of Change and the effects of change such as new skills required, greater job mobility and more leisure time.</p> <p>Change in production methods (including technological changes), marketing techniques &amp; tastes, work practices and social attitudes.</p>
	(c) Resisting the effects of Change	Factors that contribute to resisting the effects of Change: ignorance, fear & insecurity, loss of power/status and personal factors such as beliefs or living habits.
	(d) Industrial Restructuring	A brief definition of industrial restructuring in response to market changes, and how Malta's economy has been steadily diversifying.
2.	<b>ELEMENTS OF BUSINESS ACTIVITY</b>	
	Accounting and Finance	<p>Difference between record-making and accounting, that is, the relevance of the analysis and interpretation aspect. Why financial records are kept and users of such records.</p> <p>Difference between accountants and auditors.</p>
	Final Accounts	Basic interpretation of the Trading, Profit & Loss Account, and the Balance Sheet of

		<p>Sole Traders in vertical form (excluding carriage &amp; returns).</p> <p>Definition of terms met in the Final accounts, such as fixed and current assets, current and long-term liabilities, cost of goods sold, opening/closing stock such terms.</p> <p>Refer also to depreciation and types of depreciation, (but no calculation is required)</p>
	(c) Assessing Business Performance	<p>Analysing Accounts: Calculation and basic interpretation of the following accounting ratios, (relating to Profitability, Performance and Liquidity:</p> <ul style="list-style-type: none"> <li>• Gross Profit and Net Profit Margins</li> <li>• ROCE</li> <li>• Working Capital ratio</li> <li>• Quick Assets Ratio</li> <li>• Stock Turnover Ratio</li> <li>• Difference between Working Capital and Capital Employed</li> </ul>
	(d) Break-even analysis	<p>Difference between costs and revenues; fixed costs, variable costs and total costs; unit costs and average revenue.</p> <p>The Break-Even chart – diagram indicating the profit part, the loss and the break-even point.</p> <p>Why break-even analysis is used.</p>
	(e) Budgeting	<ul style="list-style-type: none"> <li>• What is a Budget</li> <li>• Importance of Budgeting</li> <li>• Reference to Cash Budget</li> </ul>

3	Demand and Supply	<p>Definition of the terms <i>demand</i> and <i>supply</i>.</p> <p>Drawing of demand and supply curves according to a data schedule. Some discussion on determinants of demand and supply.</p> <p>The <i>price mechanism</i> and the <i>equilibrium point</i>.</p> <p>Reference to <i>shortage</i> and to <i>excess supply</i> or <i>glut</i>.</p>
4	<b>AIDING, REGULATING AND CONTROLLING BUSINESS ACTIVITY</b>	
	(a) Main services provided by various organisations	<p>Reference to the following list of organisations, indicating their role in aiding, regulating and controlling business activities: Malta Enterprise, ETC, Chambers of Commerce, GRTU, The Dept. of Consumers Affairs, MFSA &amp; role of Insurance Companies, MEPA (Malta Environment &amp; Planning Authority), Malta Resource Authority, Malta Tourism Authority, Malta Standards Authority and National Audit Office of Malta.</p> <p>Note: Many of the organisations mentioned above would have already been tackled in other parts of the syllabus. So, only a brushing-up of the topics would be needed.</p>
	(b) Costs and Benefit of Business Activity	<p>Revision of Choice &amp; Opportunity Cost and proceed to the costs and benefits of choosing.</p> <p>Refer to Private Costs/Benefits. External Costs/Benefits and Social Costs/Benefits</p>