

BUSINESS STUDIES SYLLABUS

INTRODUCTION

Business Studies is a dynamic, rigorous subject based on real life experiences and occurrences. It should be presented to the student in such a way as to clearly portray its relevance to everyday life. Furthermore, Business Studies should arouse the student's interest in such a way as to instigate the student to research further and keep abreast with developments as presented in the media. It should be constantly updated to reflect any changes in the economic, commercial, social, political, legal and technological world, with special reference to the Maltese context. Knowledge and understanding of the subject by themselves are not enough but the student must gradually develop analytical skills as well as be able to evaluate and solve related problems. Thus, Business Studies should be **a tool for lifelong learning**. Moreover, it should be made clear to the students from the very beginning that the term "Business" is not taken to mean merely the equivalent of the word "negozju" in Maltese but that it relates to any type of employment, commercial activity or any organisation providing a good or a service.

AIMS

1. To equip the student with a broad understanding of the activities that take place within a business environment with special reference to the local environment and the way in which changes in that environment influence business behaviour.
2. To help students realise the dynamic nature of the business world, making them aware of changes in the economic, commercial, social, political, legal and technological spheres, and how these affect business activity.
3. To develop an understanding of the roles and purposes of business activities in the public and private sectors as well as the diversity and complexity of competitive and monopolistic business activities.
4. To become aware of how the main types of business organisations are set up, organised, financed and operated and their interactions and interdependence with other organisations, consumers, employees, owners and society.
5. To develop an appreciation of the marketing of factor inputs and product outputs of businesses and the forces which determine and control them.
6. To acquire knowledge of the business language, concepts and communication skills in the decision making process.
7. To develop numeracy and literacy skills in the acquisition of data and how to interpret and present
8. such information after it has been analysed.
9. To develop an appreciation of the interdependence of all participants in the working world and how such socio-economic development may be enhanced by the co-operation and ethical behaviour of all individuals, be they employers, employees or consumers.

ASSESSMENT OBJECTIVES

Students of Business Studies should be able to:

1. Recall knowledge in relation to the specified syllabus content.
2. Use this knowledge in verbal, numerical and diagrammatic form.
3. Explain and use within the context of business, appropriate terminology, concepts, numerical calculations and elementary theories.
4. Recognise, select, interpret and apply data.
5. Organise information and apply it in an appropriate way to the solution of business problems.
6. Distinguish between evidence and opinion, make reasoned judgements and communicate them in an accurate and logical manner.
7. Be catalysts to change by making proposals and suggestions when analysing current situations in the business world.

EVALUATION

Students are evaluated through **formative** and **summative** assessment. In **Form 3**, 15% of the annual global mark consists of formative coursework to be presented at the end of the year whereas the remaining 85% of the global mark is allotted in the summative annual examination. Further details about the coursework to be presented by the students can be found on page 10-11.

In Form 4, students are expected to start working on a project which is to be finalised in Form 5 and presented to the SEC examination board as part of their SEC examination. The titles of this project are chosen and listed by the MATSEC board.

BUSINESS STUDIES

FORM 3 SYLLABUS

WHAT IS BUSINESS STUDIES?		
1	(i) The meaning of the term “business”	Work, employment, trade, profession, occupations, dealings, commercial activities, organisation which provides goods and services
	(ii) Why do we study Business Studies?	To appreciate the activities involved in the daily activities, e.g. activities involved to be able to have a cup of tea.

BACKGROUND TO BUSINESS		
2	(i) Wants and needs	Define the difference between <i>wants</i> and <i>needs</i> ; needs being a subset of wants. Basic needs: <i>food, shelter, clothing</i> . How wants become needs. Scarcity of resources: Choice, scale of preference, opportunity cost
	(ii) Production <ul style="list-style-type: none">• Barter	Production as an essential activity to <i>provide goods and services to satisfy wants</i> . Types of production: <i>Direct Production</i> and <i>Indirect Production</i> (just a brief description). In <i>Indirect Production</i> mention the importance of <i>exchange</i> . Meaning of <i>Barter</i> . Shortcomings of the barter system

	<ul style="list-style-type: none"> • Money 	<p>Define money and legal tender Characteristics and functions of money. Mention different types of money, both old and modern How the shortcomings of the barter system were overcome by money</p>
	(iii) Goods and Services	<p>Distinction between <i>goods (tangible)</i> and <i>services (intangible)</i>.</p> <p>Types of goods and services: <i>consumer goods, capital (producer) goods, durable goods, non-durable (single use) goods, commercial / trade / business services, consumer (direct) services.</i></p>
	(iv) Factors of Production	<p>Definition of:</p> <ul style="list-style-type: none"> • Land: land and all natural resources occurring in the world. • Labour: human effort: mental and physical; skilled, semi-skilled, unskilled. Remuneration: <i>wage</i> and <i>salary</i> (define the difference). • Capital: resources used for further production. • <i>Fixed capital, liquid capital.</i> Make difference between <i>machinery</i> and <i>stocks</i>. • Entrepreneur: the person/s combining the other factors of production, make/s decisions and bear/s risks. <p>Mention factor payments (just a brief description) <i>Land – rent; Labour – wage; Capital – interest; Entrepreneur – profit.</i></p>
	(v) Stages of Production: Primary Production Secondary Production Tertiary Production	<p>Define the terms. Introduce the terms: <i>extraction, manufacturing, construction, processing, assembling, refining, services, distribution.</i> Differentiate between <i>direct (consumer) services and commercial services</i> The tertiary sector expands as the economy grows. Chain of Production and Interdependence</p>

BUSINESS IN SOCIETY

3	(i) Reasons for Business activity	Profit, religious, political and social reasons.
	(ii) How does business affect us	<p><i>Satisfaction, money to spend, tax for government to provide goods and services.</i> Can cause <i>unemployment</i> if not successful or following a change.</p>

	(iii) How the government controls Business	Just mention that government creates <i>laws to control</i> and <i>help</i> business. No details of laws at this stage.
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DIFFERENT ECONOMIC SYSTEMS

4	<ul style="list-style-type: none"> (i) Free Market (ii) Command Economy (iii) Mixed Economy (iv) Subsistence Economy 	<p>Mention alternative names: <i>free market, capitalist economy, laissez-faire; Command economy, centrally-planned economy, planned economy, state-controlled economy.</i></p> <p>Characteristics of these systems. Give examples of countries in each category. Advantages and disadvantages of each system.</p>
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BUSINESS OWNERSHIP

5	<ul style="list-style-type: none"> (i) The Private Sector <ul style="list-style-type: none"> (a) Sole owner, Sole trader, Sole proprietor (b) Partnerships, (c) Companies 	<p>Definition of the sectors. Characteristics of each sector and types of business. Advantages and disadvantages of each type of business. Define <i>limited</i> and <i>unlimited liability</i>. Mention and explain <i>active</i> and <i>dormant/sleeping partner. Partnership Deed</i>. Companies: (in Form 3 we just mention that the largest business unit in the private sector is the company – the topic on companies will be covered in Form 4)</p>
	<ul style="list-style-type: none"> (ii) The Public Sector <ul style="list-style-type: none"> (a) Government Departments (b) Public Corporations (c) Local Councils 	<p>Meaning and examples of government departments, public corporations and local councils.</p> <p>For each describe <i>ownership and the day-to-day management, aims, finance and distribution of profits</i>.</p>
	(iii) Public-Private Partnership	Simple explanation.

THE BASIC BUSINESS FUNCTIONS

6	<ul style="list-style-type: none"> (i) Personnel (ii) Finance (iii) Purchasing (iv) Production (v) Marketing 	<p>A brief description of the basic functions: <i>personnel, finance, purchasing, production, marketing, research and development</i>. These departments are dealt in more detail later on. Teachers should also refer to the fact that there may be other</p>
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	(vi) Research & Development	departments (such as the <i>legal department</i>) or that certain departments in large firms may be even split up into micro-departments (e.g. marketing: <i>local/foreign marketing, advertising, market research, etc.</i>). This all depends on the size of the firm. Reference is also to be made to the interdependence of each section.
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ORGANISATION CHARTS		
7	(i) Meaning of Organisation Charts (ii) Line Management (iii) Span of Control (iv) Chain of Command (v) Levels of Authority (vi) Delaying (vii) Centralisation & Decentralisation (viii) Delegation of Authority (ix) Formal structures and Informal Structures	Meaning and examples of each Simple Organisation Charts and application of terms to such charts (interpretation of such charts) Advantages and disadvantages of centralisation and decentralisation

COMMUNICATION		
8	(i) Meaning of communication and its importance to business	Define communication as the passing of information. Uses of communication: <i>passing of factual information, knowledge and items; putting forward opinions; persuading others and negotiating; instructing others and directing them; organising firm's activities.</i> The Act of Communication: <i>two-way process.</i> Process of Communication: <i>Transmitter, message, medium (means of communication), receiver.</i> Meaning and importance of <i>feedback.</i>
	(ii) Different types of communication	Communication Patterns: <i>Internal/External; downward, horizontal, upward.</i> Types of communication or media: <i>Written, Verbal (oral), and Non-Verbal (Visual).</i> Advantages and disadvantages of each type. Different examples of each category: <i>Written – letter, reports, forms, notices, memo, etc.;</i> <i>Verbal – discussions, interviews, speeches, etc.;</i> <i>Non-verbal/Visual – pictures, charts, diagrams, symbols, graphs, dress and grooming, body language</i> <i>such as hand gestures, facial expressions, posture, etc. Meetings including agendas and minutes.</i>
	(iii) Problems encountered in communication or communication breakdown and consequences of	Problems causing communication breakdown: <i>emotional, social (including the “grapevine”), geographical, language, technical reasons.</i>

	ineffective communication in business organisations	Importance of: <i>clarity, concentration and correctness</i> for successful communication.
	(iv) Information Technology and communication	<i>Information Technology</i> and communication including definition and examples of information technology, advantages and disadvantages.

THE HUMAN RESOURCES FUNCTION		
9	(i) Introduction to the HR/Personnel Section	Brief description of all the functions of the Human Resources or Personnel Department of a firm.
	(ii) Theories of Motivation influencing the work of the HR Department	<i>Theories of Motivation and Management Styles affecting the Human Resources Section:</i> Maslow's Hierarchy of Needs; Frederick Hertzberg and the hygiene factors; Douglas McGregor and his theory on X/Y Managers. <i>Autocratic, Democratic and Laissez-faire styles of Management.</i>
	(iii) Population and types of unemployment <ul style="list-style-type: none"> • Trends in local employment • Geographical and occupational mobility of labour as a means of increasing opportunity for work 	Demography as the study of the size and structure of the population – people being the workers and consumers of business. Why demography is important for the businessman and government Define <i>total population</i> and <i>working population</i> Population size: <i>Births</i> and <i>Deaths</i> as the natural effects and migration Working Population Size: <i>depending on size of population, school-leaving age, retirement age, non-workers in the working age groups – unemployed, disabled and those having private means, housewives not doing any other work.</i> Population Structure: <i>age distribution (including dependency ratio), sex distribution, geographical distribution and occupational distribution (Job Distribution).</i> A general view of the employment sector in Malta with reference to the primary, secondary and tertiary sector employment How changes in the population affect the labour supply. Other determinants of the labour supply and influences on the labour quality. Types of Unemployment: <i>Frictional, Structural, Cyclical, Seasonal, Technological and Regional.</i> <i>Geographical and Occupational Mobility of Labour – and their effect on increasing the opportunity for work</i>
	(iv) Recruitment and Selection: (a) Job Evaluation, Description and Specification	What constitutes Job evaluation, job description and job specification. Job advertising: including different media and Job

	(b) Job Advertising and Applications (c) The Selection Processes (d) The Interview	centres (Brief reference to ETC). Difference between <i>internal/external advertising</i> . Applying for the job: <i>application forms, letters of application and C.V.</i> The selection process: <i>short-listing of applications</i> . All information about the interview, from point of view of <i>interviewer</i> and <i>interviewee</i> . On-the job(internal) and off-the job(external) training. Refer to Induction courses & other Training Schemes The appointment and the <i>Contract of Employment</i> : minimum wage, statutory hours of work & statutory benefits.
	(v) Financial Incentives	Explanation of different remuneration systems: <i>Flat rate, Time rate, Piece rate, Bonus schemes, Profit Sharing, Commissions and Fringe Benefits or Perks</i> Composition of a Pay Slip (with reference to Gross/Net Pay) & the respective deductions from pay)
	(vi) Non-Financial Incentives	References to <i>job satisfaction, recreational facilities, environment of work, friendly colleagues, working hours & times of attendance (reference also to flexi-time), holiday arrangements and health & safety measures plus job satisfaction</i> . Reference also to such terms as: <i>Appraisal System, Job Rotation, Job Enrichment, Job Enlargement</i>
	(vii) Ending Employment	Explanation to these terms: Resignation, Dismissal (voluntary & involuntary), redundancy & retirement Reference to the term Labour Turnover

THE MARKETING FUNCTION		
10	(i) An introduction to Marketing	Definition of the term marketing. <i>The Marketing Mix: Product, Price, Promotion and Place (distribution channel), People, Process and Physical Evidence.</i> <i>The Marketing Process: market research (including primary data or field research, and secondary data including internal research and printed sources. Refer also to test marketing), product development, marketing strategy (costing and production), distribution (including advertising and selling).</i>
	(ii) The Product Life-Cycle	Describe and illustrate the various stages of the product life-cycle: <i>development/pre-launch, launch or introduction, growth, maturity, saturation, decline and</i>

		<p>including: <i>the itinerant or street traders, doorstep selling, automatic vending machines, mail-order, e-commerce, multiple/chain stores, department stores, supermarkets, hypermarkets, etc.</i> (note: advantages and disadvantages of each should be highlighted).</p> <ul style="list-style-type: none"> documents used in the home trade and why they are used, including: <i>quotation, price list, estimate, the order, the acknowledgement, the advice note, the consignment note, the invoice, credit and debit notes, statements and receipts.</i>
	(viii) Transport	<p>Various modes of transport: <i>road, rail, sea, canals or inland waterways, airtransport and pipelines.</i> Advantages and disadvantages relating to the above. <i>Containerisation.</i></p>

THE RESEARCH & DEVELOPMENT FUNCTION

11		<p>The functions of this department and its considerations relating to <i>price, practicality and profit.</i> Different types of research: <i>applied research, basic/fundamental research, operational research.</i> <i>CAD (Computer aided design).</i> Meaning of: <i>prototype, test-run, patent and copyright.</i></p>
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UNDERSTANDING DATA

12		<p>Exploration and understanding of the following tools: <i>graphs, pictograms, bar charts, pie charts, percentages and averages.</i></p>
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Coursework

The coursework consists of 15% of the annual mark. This will be worked out either in groups or individually. All projects will be assessed by the schools. In the case of groups, the candidates will be assessed individually by basing the school assessment on the quality of each individual input within the development process of the project. The coursework should include various techniques such as: visits, exchanges, interviews, questionnaires, case-studies, surveys, research work, reports or original productions on videos or other electronic means. The coursework may consist of written material illustrated with diagrams, charts and tables, where appropriate. The final report is to be presented by each candidate or by a representative in the case of a group. If presented as a written project, it is advisable that the length of the report does not exceed 800 words. However, keeping in mind the various heterogeneity of the classes, word limit is left at the teacher's discretion. If the coursework is however presented electronically, the visual, audio or audio-visual presentation should be circa 10 minutes long.

Presentation of the Coursework

The development of the coursework does not need to follow a standard format but the candidates are reminded of the need of clarity of expression, logical sequence and a systematic approach. A suitable format would include the following:

- the title and the purpose of the coursework
- an account of the investigation including the methods of research and collection of data
- the analysis of the data
- the presentation of the conclusion or results
- a list of books and other reference materials used.

Assessment

The coursework carries a maximum of 15 marks. The work is to be marked by the teacher. Marks should be awarded according to the following criteria:

Knowledge and the Use of Information	20%
Application and Analysis	40%
Evaluation and Judgement	20%
Quality of Presentation	10%
Student's Commitment	10%

A list of 23 coursework titles is suggested. However, the teacher is free to choose another title which is in line with the Form 3 syllabus.

The Business Environment

1. Basic problems of scarcity and choice, allocation of resources and opportunity cost

2. Differing aims of enterprises in both private and public sectors
3. Types of economies
4. The trends of the 3 stages of Production in Malta

Business Structure and Organisation

1. The private and public sector in Malta

Marketing

1. Preparing marketing research for a product and/or service, presentation and uses of results of market research
2. Choose a product and/or service and analyse the importance of market segmentation
3. Analyse a niche market
4. Analyse the marketing mix of a product and/or service
5. Promotion and Advertising of a product and/or service that you created
6. Compare the product life cycle of 2 or 3 particular products
7. Analyse and compare the pricing strategies of some products
8. Recent developments in retailing, wholesaling, transport and e-commerce
9. Create a product and give it a brand name, packaging and pricing

Human Resource

1. Demographic trends and their impact on business concerns
2. Unemployment – effects and types of unemployment in the 21st century
3. Local trends in employment in various sectors
4. Emigration and immigration patterns in any two European countries of your choice
5. Preparing all procedures for recruitment and preparing/conducting an interview
6. Importance of training – on the job and off the job training
7. The personnel department within a company of your choice
8. The appraisal system of a business