



CAMBRIDGE
International Education

Syllabus

Cambridge IGCSE™ Business 0264

Use this syllabus for exams in 2027, 2028 and 2029.
Exams are available in the June and November series.
Exams are also available in the March series in India.



Version 1

For the purposes of screen readers, any mention in this document of Cambridge IGCSE refers to Cambridge International General Certificate of Secondary Education.

Why choose Cambridge?

We work with schools worldwide to build an education that shapes knowledge, understanding and skills. Together, we give learners the confidence they need to thrive and make a positive impact in a changing world.

As part of the University of Cambridge, we offer a globally trusted and flexible framework for education from age 3 to 19, informed by research, experience, and listening to educators.

With recognised qualifications, high-quality resources, comprehensive support and valuable insights, we help schools prepare every student for the opportunities and challenges ahead.

Qualifications that are recognised and valued worldwide

From the world's top-ranked universities to local higher education institutions, Cambridge qualifications open doors to a world of opportunities.

Setting a global standard

With over 160 years of experience in delivering fair, valid and reliable assessments to students worldwide, we offer a global, recognised performance standard for international education.

Your path, your way

Schools can adapt our curriculum, high-quality teaching and learning resources and flexible assessments to their local context. Our aligned offer helps Cambridge schools support every learner to reach their potential and thrive.

Learning with lasting impact

Cambridge learners build subject knowledge and conceptual understanding, and develop a broad range of skills, learning habits and attributes to help make them ready for the world.

Improving learning outcomes through data-led insight and action

Our trusted baseline and diagnostic assessments, together with our insights and evaluation service, help schools turn data into knowledge and actionable insights, to inform teaching decisions and improve learner outcomes.

Bringing together a community of experts

We bring together the collective knowledge of experts and our diverse community of educators worldwide, supporting them to learn from one another and share ideas and information.

Tackling the climate crisis together

We believe that education is key to tackling the climate crisis. Together with Cambridge schools, we can empower young people with the skills and knowledge to take action on climate change, helping them be ready for the world.

School feedback: 'We think the Cambridge curriculum is superb preparation for university.'

Feedback from: Christoph Guttentag, Dean of Undergraduate Admissions, Duke University, USA

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Important: Changes to this syllabus

For information about changes to this syllabus for 2027, 2028 and 2029, go to page 31.



1 Why choose this syllabus?

Key benefits

Cambridge IGCSE is the world's most popular international qualification for 14 to 16 year olds, although it can be taken by students at any age. Taught by over 5000 schools in 150 countries, it is tried, tested and trusted.

Students can choose from 70 subjects in any combination, including 30 languages.

Our programmes promote a thorough knowledge and understanding of a subject and help to develop the skills learners need for their next steps in education or employment.

Cambridge IGCSE Business learners will learn to analyse business information and financial data and apply this knowledge to different business contexts. Studying this subject requires learners to consider local and international business environments which are economically and socially diverse. They will build on their own experiences of real-world businesses.

These transferable skills are used at all levels of study and complement many other qualifications and subjects.

Our approach in Cambridge IGCSE Business encourages learners to be:

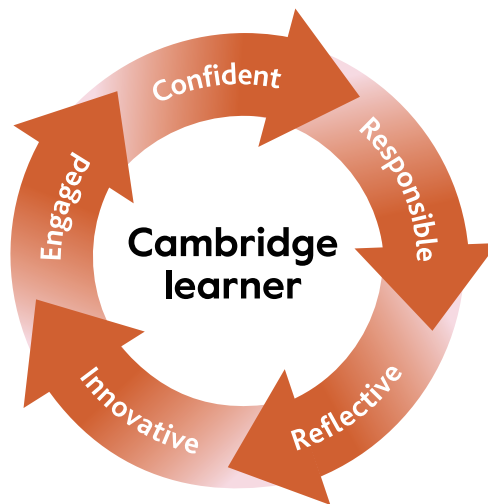
confident, using business knowledge to understand what a business needs to be successful

responsible, by understanding that businesses have responsibilities to their stakeholders and to society

reflective, understanding how decisions made can impact the success of a business

innovative, through being able to use business skills to adapt to the changing business environment

engaged, in developing entrepreneurial skills for the world of business.



School feedback: 'The strength of Cambridge IGCSE qualifications is internationally recognised and has provided an international pathway for our students to continue their studies around the world.'

Feedback from: Gary Tan, Head of Schools and CEO, Raffles Group of Schools, Indonesia

Qualifications that are recognised and valued worldwide

Cambridge qualifications prepare and equip learners with the skills they need to thrive at university and beyond. The world's best higher education institutions recognise our qualifications and value the critical thinking skills, independent research abilities and deep subject knowledge that Cambridge learners bring.

We continually work with universities and colleges in every part of the world to ensure that they understand and accept our qualifications. Cambridge IGCSE provides a springboard to the Cambridge Advanced stage, as well as other post-16 routes. The combination of knowledge and skills in Cambridge IGCSE Business gives learners a solid foundation for further study. Candidates who achieve grades A* to C are well prepared to follow a wide range of courses including Cambridge International AS & A Level Business.

Many universities require a combination of Cambridge International AS & A Levels and Cambridge IGCSEs or equivalent to meet their entry requirements.

UK ENIC, the national agency in the UK for the recognition and comparison of international qualifications and skills, has carried out an independent benchmarking study of Cambridge IGCSE and found it to be comparable to the standard of the GCSE in the UK. This means students can be confident that their Cambridge IGCSE qualifications are accepted as equivalent to UK GCSEs by leading universities worldwide.

Learn more at www.cambridgeinternational.org/recognition

School feedback: 'Cambridge IGCSE is one of the most sought-after and recognised qualifications in the world. It is very popular in Egypt because it provides the perfect preparation for success at advanced level programmes.'

Feedback from: Managing Director of British School of Egypt BSE

Supporting teachers

We believe education works best when teaching and learning are closely aligned to the curriculum, resources and assessment. Our high-quality teaching support helps to maximise teaching time and enables teachers to engage learners of all backgrounds and abilities.

We aim to provide the following support for each Cambridge qualification:

- Syllabus
- Specimen question papers and mark schemes
- Specimen paper answers
- Schemes of Work
- Example candidate responses
- Past papers and mark schemes
- Principal examiner reports for teachers

These resources are available on the School Support Hub at www.cambridgeinternational.org/support, our secure online site for Cambridge teachers. Your exams officer can provide you with a login.

Additional teaching & learning resources are also available for many syllabuses and vary according to the nature of the subject and the structure of the assessment of each syllabus. These can include ready-built lesson materials, digital resources and multimedia for the classroom and homework, guidance on assessment and much more. Beyond the resources available on the Schools Support Hub, a wide range of endorsed textbooks and associated teaching and learning support are available from Cambridge at www.cambridge.org/education and from other publishers. Resources vary according to the nature of the subject and the structure of the assessment of each syllabus.

You can also contact our global Cambridge community or talk to a senior examiner on our discussion forums.

Sign up for email notifications about changes to syllabuses, including new and revised products and services, at www.cambridgeinternational.org/syllabusupdates

Professional development

Find the next step on your professional development journey.

- **Introduction courses** – An introduction to Cambridge programmes and qualifications. For teachers who are new to Cambridge programmes or new to a specific syllabus.
- **Focus on Teaching courses** – These are for teachers who want to explore a specific area of teaching and learning within a syllabus or programme.
- **Focus on Assessment courses** – These are for teachers who want to understand the assessment of a syllabus in greater depth.
- **Marking workshops** – These workshops help you become more familiar with what examiners are looking for, and provide an opportunity to raise questions and share your experiences of the syllabus.
- **Enrichment Professional Development** – Transform your approach to teaching with our Enrichment workshops. Each workshop focuses on a specific area of teaching and learning practice.
- **Cambridge Professional Development Qualifications (PDQs)** – Practice-based programmes that transform professional learning for practicing teachers. Available at Certificate and Diploma level.

For more information visit www.cambridgeinternational.org/support-for-teachers

Supporting exams officers

We provide comprehensive support and guidance for all Cambridge exams officers. Find out more at: www.cambridgeinternational.org/eoguide



2 Syllabus overview

Aims

The aims describe the purposes of a course based on this syllabus.

The aims are to enable students to:

- discover different business structures and explore the influence of key internal and external stakeholder groups, to gain an insight into business decision-making
- develop a confident working knowledge of business activity, using key terms, concepts and theories
- develop numeracy skills by applying formulas to interpret and analyse business data
- gain essential literacy and enquiry skills through using and interpreting business information
- analyse and evaluate a range of data and make informed, evidence-based recommendations in a variety of business contexts
- investigate and understand the impact of digital technology in the production of goods and services
- explore environmental issues and methods of sustainability within business, both locally and globally
- discover the impact and importance of business, inspiring an interest that could lead to further study or employment.

We are an education organisation and politically neutral. The contents of this syllabus, examination papers and associated materials do not endorse any political view. We endeavour to treat all aspects of the exam process neutrally.



Content overview

- 1 Understanding business activity
 - 1.1 Business activity
 - 1.2 Economic sectors
 - 1.3 Enterprise, business growth and size
 - 1.4 Types of business organisation
 - 1.5 Business objectives and stakeholder objectives

- 2 People in business
 - 2.1 Human resource management (HRM)
 - 2.2 Organisation and management
 - 2.3 Methods of communication
 - 2.4 Motivating employees

- 3 Marketing
 - 3.1 Marketing and the market
 - 3.2 Market research
 - 3.3 Marketing mix
 - 3.4 Legal controls

- 4 Operations management
 - 4.1 Production of goods and services
 - 4.2 Technology and production of goods and services
 - 4.3 Sustainable production of goods and services
 - 4.4 Costs, scale of production and break-even analysis
 - 4.5 Quality of goods and services
 - 4.6 Location decisions

- 5 Financial information and decisions
 - 5.1 Business finance
 - 5.2 Cash flow forecast
 - 5.3 Profit and loss
 - 5.4 Statement of financial position
 - 5.5 Analysis of accounts

- 6 External influences on business activity
 - 6.1 Economic issues
 - 6.2 Business and the international economy
 - 6.3 Business and the environment
 - 6.4 Business and ethical issues
 - 6.5 Pressure groups

Assessment overview

All candidates take two papers. Candidates will be eligible for grades A* to G.

All candidates take:

Paper 1 1 hour 30 minutes
 Short Answer and Data Response 50%
 80 marks
 Four questions requiring a mixture of short answers and structured data responses.
 Candidates answer all questions.
 Externally assessed

and:

Paper 2 1 hour 30 minutes
 Case Study 50%
 80 marks
 Four questions based on a case study, provided as an insert with the paper.
 Candidates answer all questions.
 Externally assessed

Information on availability is in the **Before you start** section.

Assessment objectives

The assessment objectives (AOs) are:

AO1 Knowledge and understanding

- Demonstrate knowledge and understanding of business concepts, terms and theories.
- Use business terminology.

AO2 Application

- Apply knowledge and understanding of business concepts, terms and theories to a given business.

AO3 Analysis

- Select, organise and interpret business data and information in written, numerical and graphical forms.
- Analyse business information.

AO4 Evaluation

- Make justified decisions, reach conclusions and make recommendations based on evidence.

Weighting for assessment objectives

The approximate weightings allocated to each of the assessment objectives (AOs) are summarised below.

Assessment objectives as a percentage of the qualification

Assessment objective	Weighting in IGCSE %
AO1 Knowledge and understanding	35
AO2 Application	30
AO3 Analysis	22
AO4 Evaluation	13
Total	100

Assessment objectives as a percentage of each component

Assessment objective	Weighting in components %	
	Paper 1	Paper 2
AO1 Knowledge and understanding	40	30
AO2 Application	30	30
AO3 Analysis	20	25
AO4 Evaluation	10	15
Total	100	100

3 Subject content

This syllabus gives you the flexibility to design a course that will interest, challenge and engage your learners. Where appropriate you are responsible for selecting resources and examples, and subject contexts to support your learners' study. These should be appropriate for the learners' age, cultural background and learning context as well as complying with your school policies and local legal requirements.

In all of the following, candidates are required to apply their understanding to a variety of business situations. Candidates should be able to make simple decisions based on the analysis and evaluation of the information provided.

1 Understanding business activity

This topic introduces key business concepts, including the nature of business activity and economic sectors. Enterprise and entrepreneurship, measuring business size, and why some businesses grow while others remain small, are also important issues. Types of business organisation, business objectives and stakeholder objectives, and the role of stakeholder groups are also considered.

1.1 Business activity

1.1.1 The nature of business activity

- factors of production: land, labour, capital and enterprise
- concept of adding value and how added value can be increased
- concept of opportunity cost

1.2 Economic sectors

1.2.1 Types of economic sector

- primary, secondary and tertiary sectors
- private and public sectors

1.3 Enterprise, business growth and size

1.3.1 Enterprise and entrepreneurship

- characteristics of successful entrepreneurs
- purpose and key elements of a business plan: overview/summary, objectives, resources, market research, marketing, finance, people, operations
- the importance of having a business plan
- why governments support business start-ups
- how governments support business start-ups, e.g. grants, advice, low-cost loans, training schemes

continued

1.3 Enterprise, business growth and size continued

1.3.2 The methods and problems of measuring business size

- methods of measuring business size, e.g. number of people employed, value of output/sales, volume of output/sales, capital employed (profit is not a method of measuring business size)
- problems when measuring business size

1.3.3 Why some businesses grow and others remain small

- why the owners of a business may want to grow the business
- how and why businesses can grow internally, e.g. develop new products, develop new markets
- how and why businesses can grow externally: mergers and takeovers, including horizontal integration, vertical integration
- advantages and disadvantages of methods of growth
- problems linked to business growth
- why some businesses remain small

1.3.4 Why some businesses succeed and others fail

- reasons why businesses succeed or fail, e.g. management skills, availability of finance, suitability of product, demand for products, changes in the economy, level of competition

1.4 Types of business organisation

1.4.1 Different types of business organisation

- sole traders, partnerships, private limited companies and public limited companies
- advantages and disadvantages of different types of business organisation
- recommend and justify a suitable type of business organisation to owners/management for a given situation
- different forms of business organisation: franchises, joint ventures, social enterprises
- advantages and disadvantages of franchises for the franchisor and franchisee
- advantages and disadvantages of joint ventures

1.5 Business objectives and stakeholder objectives

1.5.1 Business objectives

- businesses can have several objectives, e.g. survival, growth, profit, market share
- the importance of business objectives

1.5.2 The role of stakeholder groups

- internal stakeholder groups: owners (sole traders, partnerships, shareholders), managers, employees
- external stakeholder groups: customers, suppliers, lenders/banks, government, local community
- objectives of different stakeholder groups
- how these objectives may conflict with each other

2 People in business

This topic focuses on human resource management and includes recruiting and selecting employees, employment contracts and legal controls, and training. How businesses are organised, managed and leadership styles are considered as well as the reasons why reducing a workforce may be necessary. Also included are methods of communication and examples of communication barriers in business. Finally, this topic covers the importance of having a well-motivated workforce and methods of motivation.

2.1 Human resource management (HRM)

2.1.1 Recruiting and selecting employees

- stages in the recruitment process: job descriptions, person specifications, job advertisements (including employment agencies and online recruitment)
- selection methods, e.g. curriculum vitae (CV)/resumé, application forms, references, testing/assessment centres, interviews
- advantages and disadvantages of internal and external recruitment
- recommend and justify who to employ in a given situation

2.1.2 Employment contracts and legal controls over employment issues

- the main contents of an employment contract: duties and responsibilities, working hours, holiday entitlement, sick pay
- the benefits of employment contracts for employers and employees
- legal controls over employment issues: unfair dismissal, discrimination, health and safety, legal minimum wage
- effects of legal controls over employment issues on employers and employees

2.1.3 Training

- importance of training to a business and to employees
- types of training: induction training, on-the-job training and off-the-job training
- advantages and disadvantages of the three types of training

2.2 Organisation and management

2.2.1 Simple organisational structures

- the main functional areas of a business, e.g. operations, marketing, finance, human resources
- simple hierarchical structures: tall and flat levels of hierarchy, long and short chains of command, wide and narrow spans of control
- interpret simple organisational charts
- different ways of flexible working, e.g. home working and flexible hours
- advantages and disadvantages of part-time employees and full-time employees

2.2.2 The functions of management

- planning, organising, coordinating, commanding and controlling
- advantages and disadvantages of delegation

continued

2.2 Organisation and management continued

2.2.3 Leadership styles

- the main leadership styles: autocratic, democratic and laissez-faire
- advantages and disadvantages of the main leadership styles
- recommend and justify an appropriate leadership style for a given situation

2.2.4 Why reducing the size of the workforce may be necessary

- concept of downsizing
- reasons for reducing the size of the workforce, e.g. automation, reduced demand for products, need to lower costs
- concept of redundancy
- recommend and justify which employee(s) to make redundant in a given situation

2.2.5 The role of trade unions

- what a trade union is
- benefits to employees of being a trade union member

2.3 Methods of communication

2.3.1 Why communication is important

- why communication is important for a business
- methods of communication, e.g. meetings (face-to-face or virtual), email, text messages, social media, phone calls (including mobile calls), letters, posters and noticeboards
- advantages and disadvantages of different methods of communication
- internal and external communication
- recommend and justify which method of communication to use in a given situation

2.3.2 Communication barriers

- examples of communication barriers
- reasons for communication barriers
- problems caused by communication barriers
- how communication barriers can be reduced or removed

2.4 Motivating employees

2.4.1 The importance of a well-motivated workforce

- why people work
- the benefits of a well-motivated workforce: improved labour productivity, reduced absenteeism, lower labour turnover and greater willingness to accept change/new methods of working
- main motivational theories: Maslow, Taylor, Herzberg

continued

2.4 Motivating employees continued

2.4.2 Methods of motivation

- financial methods of motivation, e.g. time-based, piece-rate, salary, bonus, commission, profit sharing, fringe benefits
- non-financial methods of motivation, e.g. job enrichment, job rotation, training, opportunities for promotion, praise, employee of the month
- recommend and justify an appropriate method of motivation for a given situation

3 Marketing

This topic covers marketing and the market, including niche markets and mass markets, why markets change and the use of market segmentation. Market research and the marketing mix, including the four Ps, are covered as is marketing strategy, including entering new markets in other countries. Examples of ecommerce and its advantages and disadvantages are considered as is the purpose of legal controls related to marketing.

3.1 Marketing and the market

3.1.1 The role of marketing

- identifying customer needs
- satisfying customer needs
- maintaining customer loyalty
- building customer relationships
- anticipating changes in customer needs

3.1.2 Understanding market changes

- why consumer spending patterns may change
- why some markets are becoming more competitive
- how businesses can respond to changing spending patterns and increased competition
- calculate market share

3.1.3 Mass markets and niche markets

- concepts of mass markets and niche markets
- advantages and disadvantages of mass markets and niche markets

3.1.4 Market segmentation

- how markets can be segmented according to: age, income, location, gender, lifestyle
- advantages and disadvantages of market segmentation

3.2 Market research

3.2.1 Methods of market research

- why businesses use market research
- primary research methods, e.g. questionnaires or surveys, interviews, focus groups, observation
- the concept of sampling and why it is useful to businesses
- advantages and disadvantages of primary market research methods
- secondary research methods, e.g. competitor websites, government sources, market reports, trade magazines
- advantages and disadvantages of secondary market research methods
- factors influencing the accuracy of market research data
- analyse simple market research data

3.3 Marketing mix

3.3.1 Product

- the importance of brand image
- the role of packaging
- advantages and disadvantages of developing new products
- the main stages of the product life cycle: introduction, growth, maturity, decline
- interpret a product life cycle diagram
- extension strategies a business could use: new markets, new uses for a product, adapting the product or packaging, increased advertising/sales promotion
- advantages and disadvantages of different extension strategies
- recommend and justify an extension strategy to use in a given situation

3.3.2 Price

- pricing methods: cost-plus, competitive, penetration, skimming, dynamic
- advantages and disadvantages of different pricing methods
- recommend and justify an appropriate pricing method for a given situation

3.3.3 Place

- advantages and disadvantages of different distribution channels: direct to customers, through retailers, wholesalers, agents
- recommend and justify an appropriate distribution channel for a given situation

3.3.4 Promotion

- reasons for promotion
- methods of sales promotion, e.g. vouchers, reward schemes, competitions, special offers/discounts
- methods of advertising, e.g. social media, direct/targeted emails, leaflets, billboards
- recommend and justify which method of sales promotion to use in a given situation
- recommend and justify which method of advertising to use in a given situation

continued

3.3 Marketing mix continued

3.3.5 Ecommerce

- examples of ecommerce, e.g. mobile phone/internet banking, online shopping, online ticketing
- advantages and disadvantages of ecommerce for businesses
- advantages and disadvantages of ecommerce for customers

3.3.6 Marketing strategy

- importance of the different elements in the marketing mix
- recommend and justify an appropriate marketing mix for a given situation

3.3.7 Entering new markets in other countries as a method of growth

- advantages of entering new markets in other countries, e.g. increase sales, spread risk
- disadvantages of entering new markets in other countries, e.g. cultural differences, lack of knowledge, legal requirements

3.4 Legal controls

3.4.1 Legal controls related to marketing

- the purpose of legal controls to protect customers: misleading promotion, faulty goods
- the effects of legal controls on marketing

4 Operations management

This topic focuses on the production of goods and services and includes the main methods of production, the role of technology and the importance of sustainable production. Costs, the scale of production, as well as break-even analysis are included alongside economies of scale and quality production. This topic concludes with the main factors which influence location decisions.

4.1 Production of goods and services

4.1.1 Production processes

- calculate labour productivity
- why efficiency is important for a business
- how to increase efficiency, e.g. increasing automation and technology, improving labour skills
- concept of lean production and how to achieve it: just-in-time (JIT) inventory control and Kaizen
- advantages and disadvantages of lean production methods
- why businesses hold inventory
- factors affecting how much inventory businesses hold

4.1.2 The main methods of production

- job, batch and flow production
- advantages and disadvantages of job, batch and flow production
- recommend and justify an appropriate production method for a given situation

4.2 Technology and production of goods and services

4.2.1 The use of technology in the production of goods and services

- how technology is changing production methods through automation and mechanisation, e.g. Computer-Aided Manufacture (CAM) and 3D Printing
- how technology is improving productivity in the service sector, e.g. contactless payments
- advantages and disadvantages of changes in technology for businesses and employees

4.3 Sustainable production of goods and services

4.3.1 Methods of sustainable production of goods and services

- how businesses can be more sustainable: using renewable energy, using fewer resources/less waste, reusing, recycling, developing environmentally friendly products, using environmentally friendly packaging
- advantages and disadvantages of businesses becoming more sustainable

4.4 Costs, scale of production and break-even analysis

4.4.1 Identify and classify costs

- classify and calculate costs using examples, e.g. fixed, variable, average and total
- use cost data to help make simple decisions, e.g. which product to produce, whether to continue or stop production, what price to set, help choose suppliers

4.4.2 Economies and diseconomies of scale

- concept of economies of scale: purchasing, marketing, financial, managerial, technical
- concept of diseconomies of scale: poor communication, lack of commitment or loyalty from employees, weak coordination, lack of control

4.4.3 Break-even analysis

- concept of break-even
- complete or amend a simple break-even chart
- interpret a break-even chart
- calculate break-even output
- define, calculate and interpret the margin of safety
- use break-even analysis to help make decisions: effect of changes in price, changes in fixed costs, changes in variable cost per unit
- limitations of break-even analysis

4.5 Quality of goods and services

4.5.1 Why quality is important and how quality may be achieved

- what quality means and why it is important for businesses
- concept of quality control
- concept of quality assurance
- advantages and disadvantages of quality control and quality assurance
- recommend and justify whether to use quality control or quality assurance in a given situation

4.6 Location decisions

4.6.1 Main factors which influence location decisions

- factors which influence the location decisions of a manufacturing business
- factors which influence the location decisions of a service business
- factors that a business could consider when deciding which country to locate its operations in
- recommend and justify an appropriate location for a business in a given situation

5 Financial information and decisions

This topic considers the need for, and sources of, business finance, the importance of working capital and the use of cash flow forecasts. The main features of a statement of profit or loss are covered as well as statements of financial position. Finally, this topic includes analysis of accounts, profitability and liquidity, and different users of accounts.

5.1 Business finance

5.1.1 The need for business finance

- the main reasons why businesses need finance: start-up capital, capital for expansion/growth, replacing existing non-current assets, investing in new technology, working capital
- short-term and long-term finance needs of a business
- concept and importance of working capital

5.1.2 The main sources of finance

- internal sources of finance: owners' investment, retained profit, sale of unwanted assets, working capital
- external sources of finance: share capital or issuing shares, venture capital, bank overdrafts, leasing, hire purchase, bank loans, trade credit, government grants, crowdfunding
- advantages and disadvantages of internal and external sources of finance
- the main factors to consider when selecting a source of finance: size of business, legal form of business, amount required, length of time, existing loans, cost, purpose
- recommend and justify an appropriate source of finance for a given situation

5.2 Cash flow forecast

5.2.1 The importance of cash and cash flow forecasts

- why cash is important to a business
- what a cash flow forecast is and why it is important
- main features of a cash flow forecast: cash inflow, cash outflow, net cash flow, opening balance, closing balance
- amend or complete a simple cash flow forecast
- interpret a simple cash flow forecast
- how a short-term cash flow problem may be overcome: overdraft, delaying supplier payments, asking customers to pay more quickly, delay purchase of non-current assets

Note: candidates will not be assessed on constructing a cash flow forecast.

5.3 Profit and loss

5.3.1 What is profit and why it is important

- what profit is
- importance of profit to private sector businesses: reward for risk-taking, source of finance, measure of success, attract investors

5.3.2 Statement of profit or loss

- main features of a statement of profit or loss: revenue, cost of sales, gross profit, expenses, profit
- make simple calculations based on a statement of profit or loss: revenue, cost of sales, gross profit, expenses, profit
- make decisions based on simple statements of profit or loss

Note: candidates will not be assessed on constructing statements of profit or loss.

5.4 Statement of financial position

5.4.1 The main elements of a statement of financial position

- non-current assets, e.g. property (land and buildings), machinery
- current assets, e.g. inventory, trade receivables, cash
- non-current liabilities, e.g. bank loans
- current liabilities, e.g. trade payables, overdraft
- concept of capital employed
- make simple calculations based on statements of financial position: total assets, total liabilities, working capital
- make decisions based on simple statements of financial position

Note: candidates will not be assessed on constructing statements of financial position.

5.5 Analysis of accounts

5.5.1 Profitability

- concept of profitability
- calculate and interpret the following profitability ratios:
 - gross profit margin
 - profit margin
 - return on capital employed (ROCE)

5.5.2 Liquidity

- concept of liquidity
- calculate and interpret the following liquidity ratios:
 - current ratio
 - acid test ratio

5.5.3 Users of accounts

- users of accounts and ratio analysis: internal, e.g. owners (sole traders, partnerships, shareholders), managers, employees
- users of accounts and ratio analysis: external, e.g. suppliers, government, lenders/banks
- how users of accounts may use financial information to help make decisions, e.g. whether to lend to or invest in a business
- limitations of using accounts and ratio analysis

6 External influences on business activity

This topic focuses on the business cycle and on the effects of changes in government policy, including taxes, interest rates and exchange rates. The importance of globalisation is recognised as well as the advantages and disadvantages of multinational companies (MNCs). Environmental issues and ethical issues are considered along with the role of pressure groups.

6.1 Economic issues

6.1.1 Business cycle

- main stages of the business cycle: growth, boom, recession, slump
- how each stage of the business cycle may affect a business
- effects of changes in the levels of employment, inflation and economic growth on a business

6.1.2 Effects of government policy

- effects of changes in taxes on business profit
- effects of changes in taxes on people's income
- effects of changes in government spending
- effects of changes in interest rates
- how businesses may respond to changes in taxes and interest rates

6.2 Business and the international economy

6.2.1 The importance of globalisation

- reasons for globalisation: improved transport links, technological change including communication, free trade agreements, newly industrialised countries
- opportunities and threats of globalisation for businesses
- import tariffs and import quotas
- effects of import tariffs and import quotas on businesses

6.2.2 Multinational companies (MNCs)

- advantages to a business of becoming an MNC
- advantages for the country where an MNC is located, e.g. jobs, exports, increased choice, investment
- disadvantages for the country where an MNC is located, e.g. increased competition, environmental damage, exploitation of natural resources, repatriation of profits

6.2.3 External costs and benefits

- external costs and external benefits of business decisions

6.2.4 Exchange rates

- appreciation and depreciation of an exchange rate
- how changes in exchange rates can affect businesses which import and export products and services, e.g. price, costs, competitiveness

Note: candidates will not be assessed on exchange rate calculations.

6.3 Business and the environment

6.3.1 Environmental issues

- how business activity can negatively affect the environment, e.g. pollution, depletion of resources
- why businesses may respond to environmental issues, e.g. improved reputation, increased sales
- how businesses may respond to environmental issues
- effects of legal controls over business activity affecting the environment: how, what and where to produce or sell, influence on costs

6.4 Business and ethical issues

6.4.1 Ethical issues

- ethical issues which may affect businesses, e.g. child labour, paying fair wages to employees, paying fair prices to suppliers, using suppliers who do not damage the environment
- how businesses may respond to ethical issues
- advantages and disadvantages of a business being ethical

6.5 Pressure groups

6.5.1 The role of pressure groups

- how pressure groups can influence business decisions

Formulas and ratios

Formulas and ratios to support the teaching of this syllabus.

Marketing

Market share	$\frac{\text{Sales revenue of a business}}{\text{Total sales revenue for the whole market}} \times 100 = \text{___} \%$
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Production

Labour productivity	$\frac{\text{Output per period (units)}}{\text{Number of employees}} = \text{___ units per employee}$
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Total variable cost	$\text{Variable cost per unit} \times \text{number of units} = \$ \text{___}$
---------------------	---

Variable cost per unit	$\frac{\text{Total variable cost}}{\text{Number of units}} = \$ \text{___}$
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Total cost	$\text{Fixed costs} + \text{total variable costs} = \$ \text{___}$
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Average cost	$\frac{\text{Total cost}}{\text{Number of units}} = \$ \text{___}$
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Break-even output	$\frac{\text{Fixed costs}}{\text{Contribution per unit}} = \text{___ units}$ $\text{Contribution per unit} = \text{selling price per unit} - \text{variable cost per unit}$
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Margin of safety	$\text{Actual output} - \text{break-even output} = \text{___ units}$ $\text{Actual number of sales} - \text{break-even number of sales} = \text{___ units}$
------------------	--

Business finance

Revenue	$\text{Selling price per unit} \times \text{number of units sold} = \$ \text{___}$
---------	--

Gross profit	$\text{Revenue} - \text{cost of sales} = \$ \text{___}$
--------------	---

Profit	$\text{Total revenue} - \text{total costs} = \$ \text{___}$ OR $\text{Gross profit} - \text{expenses} = \$ \text{___}$
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Working capital	$\text{Current assets} - \text{current liabilities} = \$ \text{___}$
-----------------	--

Profit margin	$\frac{\text{Profit}}{\text{Revenue}} \times 100 = \text{___} \%$
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continued

Business finance continued

Gross profit margin	$\frac{\text{Gross profit}}{\text{Revenue}} \times 100 = \text{___} \%$
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Return on capital employed (ROCE)	$\frac{\text{Profit}}{\text{Capital employed}} \times 100 = \text{___} \%$
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Liquidity ratios

Current ratio	Current assets : current liabilities OR $\frac{\text{Current assets}}{\text{Current liabilities}}$ Answer can be presented either as a ratio : 1 or as a number
---------------	--

Acid test ratio	Current assets – inventory : current liabilities OR $\frac{\text{Current assets – inventory}}{\text{Current liabilities}}$ Answer can be presented either as a ratio : 1 or as a number
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Faculty feedback: ‘Understanding how and why our climate is changing and providing the knowledge and skills to explore the challenges plays a key role in every student’s education.’

Feedback from: Dr Amy Munro-Faure, Head of Education and Student Engagement of Cambridge Zero

4 Details of the assessment

Paper 1 – Short Answer and Data Response

Written paper, 1 hour 30 minutes, 80 marks

The paper consists of four compulsory questions.

Questions are based on all the subject content.

Candidates answer all questions.

The paper is a mixture of short answers and structured data responses. Each question uses stimulus material. For some questions candidates will need to refer to the stimulus material in their answers. The stimulus material may include tables, graphs and images.

Candidates should use the marks for each question as a guide to the amount of detail and length of response expected for a question, and to help them manage their time effectively.

The paper assesses the following assessment objectives:

AO1 Knowledge and understanding

AO2 Application

AO3 Analysis

AO4 Evaluation

Paper 2 – Case Study

Written paper, 1 hour 30 minutes, 80 marks

The paper consists of four compulsory questions.

Questions are based on all the subject content.

Candidates answer all questions.

Each question is based on a case study, provided as an insert with the paper. The case study includes appendices with data presented in a variety of forms, such as tables, graphs, newspaper extracts and advertisements.

Candidates should use the marks for each question as a guide to the amount of detail and length of response expected for a question, and to help them manage their time effectively.

The paper assesses the following assessment objectives:

AO1 Knowledge and understanding

AO2 Application

AO3 Analysis

AO4 Evaluation

Command words

Command words and their meanings help candidates know what is expected from them in the exams. The table below includes command words used in the assessment for this syllabus. The use of the command word will relate to the subject context.

Command word	What it means
Calculate	work out from given facts, figures or information
Consider	review and respond to given information
Define	give precise meaning
Explain	set out purposes or reasons / make the relationships between things clear / say why and/or how and support with relevant evidence
Identify	name/select/recognise
Justify	support a case with evidence/argument
Outline	set out the main points
State	express in clear terms

5 What else you need to know

This section is an overview of other information you need to know about this syllabus. It will help to share the administrative information with your exams officer so they know when you will need their support. Find more information about our administrative processes at www.cambridgeinternational.org/eoguide

Before you start

Previous study

We recommend that learners starting this course should have studied a broad curriculum such as the Cambridge Lower Secondary programme or equivalent national educational framework.

We do not expect learners starting this course to have previously studied business.

Guided learning hours

We design Cambridge IGCSE syllabuses to require about 130 guided learning hours for each subject. This is for guidance only. The number of hours a learner needs to achieve the qualification may vary according to each school and the learners' previous experience of the subject.

Availability and timetables

All Cambridge schools are allocated to one of six administrative zones. Each zone has a specific timetable. Find your administrative zone at www.cambridgeinternational.org/adminzone

You can view the timetable for your administrative zone at www.cambridgeinternational.org/timetables

You can enter candidates in the June and November exam series. If your school is in India, you can also enter your candidates in the March exam series.

Check you are using the syllabus for the year the candidate is taking the exam.

Private candidates can enter for this syllabus. For more information, please refer to the *Cambridge Guide to Making Entries*.

Combining with other syllabuses

Candidates can take this syllabus alongside other Cambridge International syllabuses in a single exam series. The only exceptions are:

- Cambridge IGCSE (9–1) Business (0774)
- Cambridge O Level Business (7081)
- syllabuses with the same title at the same level.

Cambridge IGCSE, Cambridge IGCSE (9–1) and Cambridge O Level syllabuses are at the same level.

Group awards: Cambridge ICE

Cambridge ICE (International Certificate of Education) is a group award for Cambridge IGCSE. It encourages schools to offer a broad and balanced curriculum by recognising the achievements of learners who pass exams in a range of different subjects.

Learn more about Cambridge ICE at www.cambridgeinternational.org/cambridgeice

Making entries

Exams officers are responsible for submitting entries. We encourage them to work closely with you to make sure they enter the right number of candidates for the right combination of syllabus components. Entry option codes and instructions for submitting entries are in the *Cambridge Guide to Making Entries*. Your exams officer has access to this guide.

Exam administration

To keep our exams secure, we produce question papers for different areas of the world, known as administrative zones. We allocate all Cambridge schools to an administrative zone determined by their location. Each zone has a specific timetable.

Some of our syllabuses offer candidates different assessment options. An entry option code is used to identify the components the candidate will take relevant to the administrative zone and the available assessment options.

Support for exams officers

We know how important exams officers are to the successful running of exams. We provide them with the support they need to make entries on time. Your exams officer will find this support, and guidance for all other phases of the Cambridge Exams Cycle, at www.cambridgeinternational.org/eoguide

Retakes

Candidates can retake the whole qualification as many times as they want to. Information on retake entries is at www.cambridgeinternational.org/retakes

Language

This syllabus and the related assessment materials are available in English only.

Accessibility and equality

Syllabus and assessment design

At Cambridge we recognise that our candidates have highly diverse socio-economic, cultural and linguistic backgrounds, and may also have a variety of protected characteristics. Protected characteristics include special educational needs and disability (SEND), religion and belief, and characteristics related to gender and identity.

We follow accessible design principles to make our syllabuses and assessment materials as accessible and inclusive as possible. We review language accessibility, visual resources, question layout and the contexts used in questions. Using this approach means that we give all candidates the fairest possible opportunity to demonstrate their knowledge, skills and understanding.

Access arrangements

Our design principles aim to make sure our assessment materials are accessible for all candidates. To further minimise barriers faced by candidates with SEND, illness or injury, we offer a range of access arrangements and modified papers. This is the principal way in which we comply with our duty to make 'reasonable adjustments', as guided by the UK Equality Act 2010.

Important:

Requested access arrangements should be based on evidence of the candidate's barrier to taking an assessment and should also reflect their normal way of working. This is explained in section 1.3 of the *Cambridge Handbook* www.cambridgeinternational.org/eoguide

- For Cambridge to approve an access arrangement, we need to agree that it constitutes a reasonable adjustment and does not affect the security or integrity of the assessment.
- Details of our standard access arrangements and modified question papers are available in section 1.3 of the *Cambridge Handbook* www.cambridgeinternational.org/eoguide
- Centres are expected to check the availability of access arrangements and modified question papers at the start of the course. All applications should be made by the deadlines published in section 1.3 of the *Cambridge Handbook* www.cambridgeinternational.org/eoguide
- Contact us at the start of the course to find out if we can approve an access arrangement that is not included in the list of standard access arrangements.
- Candidates who cannot access parts of the assessment may be able to receive an award based on the parts they have completed.

After the exam

Grading and reporting

Grades A*, A, B, C, D, E, F or G indicate the standard a candidate achieved at Cambridge IGCSE.

A* is the highest and G is the lowest. 'Ungraded' means that the candidate's performance did not meet the standard required for grade G. 'Ungraded' is reported on the statement of results but not on the certificate.

In specific circumstances your candidates may see one of the following letters on their statement of results:

- Q (PENDING)
- X (NO RESULT).

These letters do not appear on the certificate.

On the statement of results, Cambridge IGCSE is shown as INTERNATIONAL GENERAL CERTIFICATE OF SECONDARY EDUCATION (IGCSE).

On certificates, Cambridge IGCSE is shown as International General Certificate of Secondary Education.

How students and teachers can use the grades

Assessment at Cambridge IGCSE has two purposes:

- 1 to measure learning and achievement
The assessment confirms achievement and performance in relation to the knowledge, understanding and skills specified in the syllabus.
- 2 to show likely future success
The outcomes help predict which students are well prepared for or likely to be successful in a particular course or career.
The outcomes help students choose the most suitable course or career.

Changes to this syllabus for 2027, 2028 and 2029

The syllabus has been reviewed and revised for first examination in 2027.

You must read the whole syllabus before planning your teaching programme.

Changes to syllabus code	<ul style="list-style-type: none"> The syllabus name has been changed There is a new syllabus code 0264.
Changes to syllabus content	<ul style="list-style-type: none"> The syllabus aims have been updated. We have included a description of how the syllabus can support students to develop as Cambridge Learners. <p>Subject content</p> <ul style="list-style-type: none"> The subject content has been revised and updated. The order of some content has changed and wording has been updated to improve clarity. Some topics have been reorganised and reduced in size. New topics have been added – 4.2 Technology and production of goods and services and 4.3 Sustainable production of goods and services. Digital methods of communication have been included in Topic 2 People in business. Some content has been removed. An introductory explanation for each of the topics has been added. Terminology has been updated to reflect current practice. A list of formulas and ratios have been added to the subject content.
Changes to assessment (including changes to specimen papers)	<p>Assessment objectives</p> <ul style="list-style-type: none"> The wording of the assessment objectives have been updated. The newly worded assessment objectives test the same knowledge and skills as in the previous syllabus. The weightings for the assessment have changed. The weighting of AO2 Application has increased. The weightings for AO1 Knowledge and understanding, AO3 Analysis and AO4 Evaluation have decreased. <p>Paper 1</p> <ul style="list-style-type: none"> Each question now has four parts instead of five. The breakdown of marks has changed. <p>Paper 2</p> <ul style="list-style-type: none"> All part (a) questions are now applied questions. The wording of the Paper 2 mark scheme has changed. Overall, the marking criteria remains largely the same.

In addition to reading the syllabus, you should refer to the updated specimen assessment materials. The specimen papers will help your students become familiar with exam requirements and command words in questions. The specimen mark schemes show how students should answer questions to meet the assessment objectives.



Any textbooks endorsed to support the syllabus for examination from 2027 are suitable for use with this syllabus.

Syllabuses and specimen materials represent the final authority on the content and structure of all of our assessments.

With a Customer Services team available 24 hours a day, 6 days a week, and dedicated regional teams supporting schools in 160 countries, we understand your local context and are here to guide you so you can provide your learners with everything they need to prepare for Cambridge IGCSE.



Quality management

We are committed to providing exceptional quality. In line with this commitment, our quality management system for the provision of international education programmes and qualifications for students aged 5 to 19 is independently certified as meeting the internationally recognised standard, ISO 9001:2015.

Learn more at www.cambridgeinternational.org/about-us/our-standards/

School feedback: ‘While studying Cambridge IGCSE and Cambridge International A Levels, students broaden their horizons through a global perspective and develop a lasting passion for learning.’

Feedback from: Zhai Xiaoning, Deputy Principal, The High School Affiliated to Renmin University of China

We are committed to making our documents accessible in accordance with the WCAG 2.1 Standard. We are always looking to improve the accessibility of our documents. If you find any problems or you think we are not meeting accessibility requirements, contact us at info@cambridgeinternational.org with the subject heading: Digital accessibility. If you need this document in a different format, contact us and supply your name, email address and requirements and we will respond within 15 working days.

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