

Grade Descriptions for Cambridge IGCSE Business Studies 0450

What are grade descriptions?

Grade descriptions describe the level of performance typically demonstrated by candidates achieving the different grades awarded for a qualification. For Cambridge IGCSEs, they describe performance at three levels – grades ‘F’, ‘C’ and ‘A’.

Grade descriptions sit alongside other key documents that illustrate examination standards, including:

- the syllabus, which presents what students should be taught over a course of study and explains how this is assessed
- the specimen assessment materials, which illustrate the structure of the assessment and the kinds of tasks that candidates complete
- grade thresholds, which show the total mark required to achieve a grade.

Grade descriptions are produced with a wide range of audiences in mind. For teachers, they support lesson planning and curriculum development, while students may gain useful insights into what is required to achieve a high grade and what candidate performance at lower grades typically looks like. For university admissions staff and employers, and those less familiar with Cambridge, they paint a picture of typical performance at different grades.

Cambridge publishes grade descriptions for a qualification once examinations have taken place for the first time, and we review them when a qualification is substantially revised. They are developed by highly experienced examiners who understand performance standards in the subject area and have studied samples of candidate work.

How do I use this resource?

Grade descriptions are presented as a grid with content areas at the start of each row and the different grades at the top of each column.

The content areas group together various aspects of the syllabus – they reflect topics, assessment objectives, key concepts, syllabus aims and components. The way they are organised is specific to each subject.

For each content area, there is a descriptor for each grade. Reading across the row from left to right, the descriptors represent increasing levels of performance, with each grade descriptor building on, and including, the last.

Each column represents overall performance at a particular grade. Reading down the column from top to bottom, the descriptors capture the range of knowledge, understanding and skills that a candidate ‘comfortably inside the grade’ is likely to demonstrate.

Cambridge produces grade descriptions to support teaching and learning and the interpretation of candidate scores and grades. We do not use them to set grade thresholds. As such, they cannot be used to challenge the grade awarded to any individual candidate.

Grade descriptions

Area of knowledge, understanding and skills	Typical performance at grade F	Typical performance at grade C	Typical performance at grade A
Understanding business activity	<p>Students identify different types of business organisation. They know the functions of the primary, secondary and tertiary sectors.</p> <p>They identify the characteristics of an entrepreneur. They understand the importance of having a business plan.</p> <p>They know that some organisations exist to make a profit and others to provide government services such as health and education.</p>	<p>Students differentiate between different types of business organisation and can explain the advantages and disadvantages of each.</p> <p>They understand the role of business objectives and recognise that different stakeholders may have different objectives.</p> <p>They understand the differences between the public and private sectors and the different roles they have in our society.</p>	<p>Students recommend and justify a suitable form of business organisation based on the evidence provided and analyse why this would be the most suitable.</p> <p>They explain why some stakeholder objectives conflict with each other. They explain why some businesses grow whilst others remain small, why some businesses fail and the problems linked to business growth.</p> <p>They understand and analyse key economic concepts such as needs, wants and opportunity cost and how these determine which sector provides the goods or services.</p>
People in business	<p>Students show some understanding of the importance and methods of motivating a workforce and why this is important for a business to succeed.</p> <p>They have some understanding of the way an organisation is structured and the relationships between employees.</p>	<p>Students understand the different methods of motivation and the benefits of having a well-motivated workforce. They know how and why different methods can be used to improve productivity.</p> <p>They can explain simple hierarchical structures, recognise the role of management and explain the key features of different leadership styles.</p>	<p>Students identify the key motivational theories and use them to explain how they can reduce absenteeism and labour turnover. They can make recommendations for the most suitable methods of motivation for a particular scenario.</p> <p>They understand the levels of hierarchy in an organisational chart and can recommend an appropriate leadership style. They understand the inter-relationships between roles, as well as the importance of delegation.</p>

Area of knowledge, understanding and skills	Typical performance at grade F	Typical performance at grade C	Typical performance at grade A
	They understand the role of recruitment and the importance of training. They know that there are benefits of having part-time and full-time employees and can identify different communication methods.	They explain the difference between internal and external recruitment and the benefits and limitations of different types of training. They understand that there are legal controls over employment issues. They understand the importance of communication and how communication barriers arise.	They can recommend the best recruitment strategy for a business. They link the legal controls which can help or hinder a business to the scenario and make a judgement about which may have the biggest impact on a business.
Marketing	<p>Students understand that marketing is important and understand the idea of the 4 Ps. They know that many businesses use ecommerce.</p> <p>They know that different customers have different needs and that these may change over time.</p> <p>They know the difference between primary and secondary market research and can provide examples.</p>	<p>Students understand the role of marketing and the reasons why there may be changes in the market. They understand the 4 Ps in the marketing mix and can explain the role of technology, for example ecommerce.</p> <p>They explain the benefits and limitations of niche and mass markets and why it is important for a business to position itself appropriately in the market.</p> <p>They explain the benefits and limitations of different market research methods and link them to the cost or time involved. They draw simple conclusions from market research data.</p>	<p>Students explain the significance of key elements of the 4 Ps and the product life cycle and recommend and justify an appropriate marketing strategy for a business.</p> <p>They assess whether operating in a niche or a mass market is more appropriate for a business. They can explain changes in the market and how businesses might respond.</p> <p>They select the most appropriate form of market research for a business scenario and explain their rationale. They analyse market research data effectively to reach a decision.</p>
Operations management	Students recognise different methods of production and the idea of productivity.	Students explain the benefits and limitations of job, batch and flow production. They know the difference between production and productivity, and how businesses can increase efficiency. They understand that technology is changing production methods.	Students recommend and justify an appropriate production method based on information provided, such as the scale of the operation or the finance available. They explain how technology has changed and is changing production methods and make recommendations about how a business can achieve quality production.

Area of knowledge, understanding and skills	Typical performance at grade F	Typical performance at grade C	Typical performance at grade A
	<p>They recognise fixed, variable and average costs. They have some understanding of the concept of break-even.</p> <p>They know the main factors influencing location decisions. They are aware of the existence of legal controls but may not understand their relevance.</p>	<p>They use cost data to make decisions and can interpret a break-even chart. They understand the margin of safety and how it can be used in decision-making. They also understand the importance of quality and why it is important.</p> <p>They explain the relative importance of factors such as availability of labour and raw materials when deciding on a location. They understand the role of legal controls on location decisions.</p>	<p>They interpret a break-even chart, use it to analyse a situation and can make recommendations. They use break-even analysis to assess the impact of a higher price or lower fixed costs. They also understand the limitations of break-even analysis.</p> <p>They can recommend and justify an appropriate location for a business in a specific scenario. They use the case study or additional information to support their reasoning with logical chains of argument. They take into consideration the legal controls and the impacts, both positive and negative.</p>
Financial information and decisions	<p>Students understand the need for and the main sources of business finance. They know the difference between internal and external sources of finance.</p> <p>They understand that cash is important to a business and can complete a simple cash-flow forecast.</p> <p>They recognise the features of income statements and statements of financial position and have an awareness of financial ratios.</p>	<p>Students explain different sources of finance and link them to the particular requirements of the business. They understand the difference between short-term and long-term finance and explain some of the factors used to decide on a source of finance to use.</p> <p>They amend a cash-flow forecast and understand how cash-flow problems could be solved. They also understand the concept of working capital.</p> <p>They classify assets and liabilities and make profit calculations using data from income statements and statements of financial position. They calculate profitability and liquidity ratios.</p>	<p>Students use suitable financial terminology to select the most appropriate source of finance, taking into account the size and legal form of business, amount required and length of time it is required for. They also recognise the importance and impact of existing loans.</p> <p>They interpret a cash-flow forecast and explain the importance of it. They link this knowledge to working capital and explain how a short-term cash-flow problem might be overcome for a specific business.</p> <p>They interpret the financial performance of a business by analysing the ratios and explain the importance of profitability and liquidity.</p>

Area of knowledge, understanding and skills	Typical performance at grade F	Typical performance at grade C	Typical performance at grade A
			They assess how decisions are made concerning lending and investing and select the best course of action for a business.
<p>External influences on business activity</p>	<p>Students state the main stages of the business cycle and are aware of the role of government and the economy.</p> <p>They are aware of how a business activity can affect the environment and the ethical issues that a business might face. They know what a pressure group is and can give examples of their actions.</p> <p>They are aware of the concept of globalisation. They know what a multinational company (MNC) is and why they may choose to locate in certain countries.</p>	<p>Students explain the main stages of the business cycle. They understand the ways in which governments can control economies, such as changes in tax, spending and interest rates.</p> <p>They can explain how business activity can impact on the environment and the legal controls in place. They understand the conflict between profits and ethics but may not know how a business could respond to this conflict.</p> <p>They understand that globalisation has threats as well as opportunities. They explain benefits for both the MNC and the country/economy chosen. They are aware that exchange rates can have an impact on business decisions.</p>	<p>Students explain how the government can control the economy, such as changing tax rates and interest rates, and assess how businesses may be impacted or respond to these changes. They make judgements about which would have the most significant impact.</p> <p>They explain external costs and benefits and how they impact business decisions. They suggest ways to respond to ethical and environmental issues and select the most appropriate way based on the evidence provided.</p> <p>They appreciate both the opportunities and the constraints presented by globalisation. They explain import tariffs and import quotas according to whether a business is importing or exporting. They analyse both the drawbacks on the country where the MNC locates and the benefits. They understand how a currency may appreciate or depreciate and how this will impact business decision-making.</p>
<p>Application</p>	<p>Students apply some knowledge and understanding of business ideas to a given business.</p>	<p>Students apply their knowledge and understanding of business concepts and terms to a given business.</p>	<p>Students apply their knowledge and understanding of business concepts, terms and theories to a range of business scenarios.</p>

Area of knowledge, understanding and skills	Typical performance at grade F	Typical performance at grade C	Typical performance at grade A
	They identify numerical data from the stem or case study material and make simple statements about the data.	They identify some relevant information in the stem or case study and use it to support their answers. They are able to identify some relevant financial data and use suitable formulas and calculations.	They accurately use formulas and use calculations such as ratio analysis to provide evidence to support their recommendations and conclusions. Their arguments are well balanced and clearly relevant to the business given in the stem or case study.
Evaluation	<p>Students can make a limited judgement on a business and the choices it may have to make.</p> <p>They can make a choice between the different options a business may have, but they may not demonstrate how they have come to this decision.</p> <p>They have some understanding that external influences such as competition and demand are important and that businesses do not operate in isolation.</p>	<p>Students can make a decision between the different options available to a business.</p> <p>They may make a decision that lacks balance and does not consider other options available to the business.</p> <p>They successfully use their analytical points to come to a conclusion or make a recommendation, and their judgement includes some justification of the choice made.</p>	<p>Students can make recommendations and draw conclusions which are well justified and based on the knowledge and analysis points made previously in the answer.</p> <p>They include balanced and logical arguments which consider the options in the questions and are clearly applied to the information provided in the stem or case study material.</p> <p>Their well-justified recommendation includes why the alternative options were rejected.</p>

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