



Singapore Examinations and Assessment Board



**CAMBRIDGE**  
International Education

**Singapore–Cambridge General Certificate of Education  
Ordinary Level (2026)**

# **Business Studies (Syllabus 7085)**

# CONTENTS

---

	<i>Page</i>
<b>INTRODUCTION</b>	<b>3</b>
<b>AIMS</b>	<b>3</b>
<b>ASSESSMENT OBJECTIVES</b>	<b>4</b>
<b>SCHEME OF ASSESSMENT</b>	<b>4</b>
<b>ASSESSMENT</b>	<b>5</b>
<b>SYLLABUS CONTENT AT A GLANCE</b>	<b>6</b>
<b>SYLLABUS CONTENT</b>	<b>7</b>
<b>BOOK LIST</b>	<b>18</b>

---

## INTRODUCTION

---

The GCE Ordinary Level Business Studies syllabus will introduce students to business concepts and techniques across a range of different types of businesses.

Students will be able to:

- understand different forms of business organisations, the environments in which businesses operate and business functions such as marketing, operations and finance
- appreciate the role of people in business success.

They will also gain lifelong skills, including:

- the ability to calculate and interpret business data
- communication skills needed to support arguments with reasons
- the ability to analyse business situations and reach decisions or judgements.

## AIMS

---

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

The aims are to enable students to:

- apply their knowledge and critical understanding to current issues and problems in a wide range of business contexts
- make effective use of relevant terminology, concepts and methods, and recognise the strengths and limitations of the ideas used in business
- distinguish between facts and opinions, and evaluate qualitative and quantitative data in order to help build arguments and make informed judgements
- appreciate the perspectives of a range of stakeholders in relation to the business environment, individuals, society, government and enterprise
- develop knowledge and understanding of the major groups and organisations within and outside business, and consider ways in which they are able to influence objectives, decisions and activities
- develop knowledge and understanding of how the main types of businesses are organised, financed and operated, and how their relations with other organisations, consumers, employees, owners and society are regulated
- develop skills of numeracy, literacy, enquiry, selection and use of relevant sources of information, presentation and interpretation
- develop an awareness of the nature and significance of innovation and change within the context of business activities
- acquire a foundation for further study of business or other subjects.

## ASSESSMENT OBJECTIVES

---

The four assessment domains in Business Studies are:

- AO1** Knowledge and understanding  
**AO2** Application  
**AO3** Analysis  
**AO4** Evaluation

The assessment objectives of each domain are designed to reflect the syllabus aims and to act as the reference to measure candidates' achievement. The objectives state:

### AO1 KNOWLEDGE AND UNDERSTANDING

- demonstrate knowledge and understanding of facts, terms, concepts, conventions, theories and techniques commonly applied to or used as part of business behaviour.

### AO2 APPLICATION

- apply knowledge and understanding of facts, terms, concepts, conventions, theories and techniques.

### AO3 ANALYSIS

- distinguish between evidence and opinion in a business context
- order, analyse and interpret information in narrative, numerical and graphical forms, using appropriate techniques.

### AO4 EVALUATION

- present reasoned explanations, develop arguments, understand implications and draw inferences
- make judgements, recommendations and decisions.

## SCHEME OF ASSESSMENT

---

The assessment domains are weighted to give an indication of their relative importance. They are not intended to provide a precise statement on the number of marks allocated to a particular assessment domain.

Paper	Duration	Assessment Domains				Total
		AO1 Knowledge and Understanding	AO2 Application	AO3 Analysis	AO4 Evaluation	
1	1 hour 30 minutes	50%	20%	20%	10%	50%
2	1 hour 30 minutes	30%	20%	30%	20%	50%
Overall						100%

## ASSESSMENT

---

### Syllabus Components

Candidates take **two** compulsory components, Paper 1 and Paper 2. Both question papers draw on topics taken from the whole of the syllabus.

Component	Description of papers	Duration	Weighting
<b>Paper 1</b>	<p>Short Answer and Data Response</p> <p>Four questions requiring a mixture of short answers and structured data responses</p> <p>Candidates answer all questions</p> <p>80 marks</p> <p>Externally assessed</p> <p>The paper assesses content drawn from the entire syllabus</p>	1 hour 30 minutes	50%
<b>Paper 2</b>	<p>Case Study</p> <p>Four questions based on a case study provided as an insert with the paper</p> <p>Candidates answer all questions</p> <p>80 marks</p> <p>Externally assessed</p> <p>The paper assesses content drawn from the entire syllabus</p>	1 hour 30 minutes	50%

## SYLLABUS CONTENT AT A GLANCE

---

### 1 **Understanding business activity**

This section introduces the underlying ideas and concepts of business and includes the purpose and nature of business activity and how businesses can be classified. Enterprise and entrepreneurs, and why some businesses grow while others remain small are further important issues. How business size can be measured, types of business organisation, business objectives and stakeholder objectives are the concluding topics.

### 2 **People in business**

The focus is the functional area of human resources and includes the importance and methods of motivating a workforce. How businesses are organised and managed and the methods of recruitment, selection and training of employees are also considered. Finally, the section covers the importance and methods of effective internal and external communication.

### 3 **Marketing**

This section includes the role of marketing, the distinctions between niche and mass markets and the techniques of market segmentation. The methods and importance of market research are covered. The central role of the marketing mix, i.e. the four Ps, is made clear. Marketing strategies to influence consumer decisions at home and in new foreign markets are the final topics in this section.

### 4 **Operations management**

The focus is the functional area of production and includes the meaning and methods of production and how productivity can be increased. The different costs of production and break-even analysis are covered. The section concludes with the importance and methods of achieving quality in the production process and location decisions of businesses.

### 5 **Financial information and decisions**

This finance and accounting section covers the need for and sources of business finance, cash-flow forecasting and working capital. Simple income statements are covered as well as statements of financial position and the analysis of accounts including why and how accounts are used.

### 6 **External influences on business activity**

This section focuses on different external influences on business activity and how these impact on a business. It includes government influences on economic, environmental and ethical issues and how they impact on the functional areas of businesses. In addition, the international economy including globalisation and its effects on businesses and governments, multinational businesses and exchange rates are important issues. Legal constraints are an external influence to be considered but these influences are covered in the relevant functional areas above, as well as in this last section.

# SYLLABUS CONTENT

---

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

## 1 Understanding business activity

### 1.1 Business activity

1.1.1 The purpose and nature of business activity:

- Concepts of needs, wants, scarcity and opportunity cost
- Importance of specialisation
- Purpose of business activity
- The concept of adding value and how added value can be increased

### 1.2 Classification of businesses

1.2.1 Economic sectors in terms of business activity in terms of primary, secondary and tertiary sectors:

- Basis of business classification, using examples to illustrate the classification
- Reasons for the changing importance of business classification, e.g. in developed and developing economies

1.2.2 Classify business enterprises between private sector and public sector in a mixed economy

### 1.3 Enterprise, business growth and size

1.3.1 Enterprise and entrepreneurship:

- Characteristics of successful entrepreneurs
- Contents of a business plan and how business plans assist entrepreneurs
- Why and how governments support business start-ups, e.g. grants, training schemes

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, capital employed (profit is not a method of measuring business size)
- Limitations of methods of measuring business size

1.3.3 Why some businesses grow and others remain small:

- Why the owners of a business may want to expand the business
- Different ways in which businesses can grow, e.g. internal/external
- Problems linked to business growth and how these might be overcome
- Why some businesses remain small

1.3.4 Why some (new or established) businesses fail:

- Causes of business failure, e.g. lack of management skills, changes in the business environment, liquidity problems
- Why new businesses are at a greater risk of failing

*continued*

---

## **1 Understanding business activity *continued***

### **1.4 Types of business organisation**

1.4.1 The main features of different forms of business organisation:

- Sole traders, partnerships, private and public limited companies, franchises and joint ventures
- Differences between unincorporated businesses and limited companies
- Concepts of risk, ownership and limited liability
- Recommend and justify a suitable form of business organisation to owners/management in a given situation
- Business organisations in the public sector, e.g. public corporations

### **1.5 Business objectives and stakeholder objectives**

1.5.1 Businesses can have several objectives and the importance of them can change:

- Need for business objectives and the importance of them
- Different business objectives, e.g. survival, growth, profit and market share
- Objectives of social enterprises

1.5.2 The role of stakeholder groups involved in business activity:

- Main internal and external stakeholder groups
- Objectives of different stakeholder groups
- How these objectives might conflict with each other, use examples

1.5.3 Differences in the objectives of private sector and public sector enterprises

---



## 2 People in business

### 2.1 Motivating employees

2.1.1 The importance of a well-motivated workforce:

- Why people work and what motivation means
- The benefits of a well-motivated workforce: labour productivity, reduced absenteeism and labour turnover
- The concept of human needs, e.g. Maslow's hierarchy
- Key motivational theories: Taylor and Herzberg

2.1.2 Methods of motivation:

- Financial rewards, e.g. wage, salary, bonus, commission and profit sharing
- Non-financial methods, e.g. job enrichment, job rotation, teamworking, training, opportunities for promotion
- Recommend and justify appropriate method(s) of motivation in given circumstances

### 2.2 Organisation and management

2.2.1 Draw, interpret and understand simple organisational charts:

- Simple hierarchical structures: levels of hierarchy, span of control, chain of command, e.g. tall/short
- Roles and responsibilities of directors, managers, supervisors, other employees in an organisation and inter-relationships between them

2.2.2 The role of management:

- Functions of management, e.g. planning, organising, coordinating, commanding and controlling
- Importance of delegation; trust versus control

2.2.3 Leadership styles:

- Features of the main leadership styles, e.g. autocratic, democratic and laissez-faire
- Recommend and justify an appropriate leadership style in given circumstances

2.2.4 Trade unions:

- What a trade union is and the effects of employees being union members

*continued*

---

## 2 People in business *continued*

### 2.3 Recruitment, selection and training of employees

#### 2.3.1 Recruitment and selecting employees:

- Recruitment and selection methods
- Difference between internal recruitment and external recruitment
- Main stages in recruitment and selection of employees
- Recommend and justify who to employ in given circumstances
- Benefits and limitations of part-time employees and full-time employees

#### 2.3.2 The importance of training and the methods of training:

- Importance of training to a business and to employees
- Benefits and limitations of induction training, on-the-job training and off-the-job training

#### 2.3.3 Why reducing the size of the workforce might be necessary:

- Difference between dismissal and redundancy with examples
- Understand situations in which downsizing the workforce might be necessary, e.g. automation or reduced demand for products
- Recommend and justify which employees to make redundant in given circumstances

#### 2.3.4 Legal controls over employment issues and their impact on employers and employees:

- Legal controls over employment contracts, unfair dismissal, discrimination, health and safety, legal minimum wage

### 2.4 Internal and external communication

#### 2.4.1 Why effective communication is important and the methods used to achieve it:

- Effective communication and its importance to business
- Benefits and limitations of different communication methods including those based on information technology (IT)
- Recommend and justify which communication method to use in given circumstances

#### 2.4.2 Demonstrate an awareness of communication barriers:

- How communication barriers arise and problems of ineffective communication; how communication barriers can be reduced or removed
-

### 3 Marketing

#### 3.1 Marketing, competition and the customer

##### 3.1.1 The role of marketing:

- Identifying customer needs
- Satisfying customer needs
- Maintaining customer loyalty
- Building customer relationships

##### 3.1.2 Market changes:

- Why customer/consumer spending patterns may change
- The importance of changing customer needs
- Why some markets have become more competitive
- How businesses can respond to changing spending patterns and increased competition

##### 3.1.3 Concepts of niche marketing and mass marketing:

- Benefits and limitations of both approaches to marketing

##### 3.1.4 How and why market segmentation is undertaken:

- How markets can be segmented, e.g. according to age, socio-economic grouping, location, gender
- Potential benefits of segmentation to business
- Recommend and justify an appropriate method of segmentation in given circumstances

#### 3.2 Market research

##### 3.2.1 The role of market research and methods used:

- Market-orientated businesses (uses of market research information to a business)
- Primary research and secondary research (benefits and limitations of each)
- Methods of primary research, e.g. postal questionnaire, online survey, interviews, focus groups
- The need for sampling
- Methods of secondary research, e.g. online, accessing government sources, paying for commercial market research reports
- Factors influencing the accuracy of market research data

##### 3.2.2 Presentation and use of market research results:

- Analyse market research data shown in the form of graphs, charts and diagrams; draw simple conclusions from such data

#### 3.3 Marketing mix

##### 3.3.1 Product:

- The limitations and benefits of developing new products
- Brand image; impact on sales and customer loyalty
- The role of packaging
- The product life cycle: main stages and extension strategies; draw and interpret a product life cycle diagram
- How stages of the product life cycle can influence marketing decisions, e.g. promotion and pricing decisions

*continued*

### 3 Marketing *continued*

#### 3.3.2 Price:

- Pricing methods (benefits and limitations of different methods), e.g. cost plus, competitive, penetration, skimming, and promotional
- Recommend and justify an appropriate pricing method in given circumstances
- Understand the significance of price elasticity: difference between price elastic demand and price inelastic demand; importance of the concept in pricing decisions (*knowledge of the formula and calculations of PED will **not** be assessed*)

#### 3.3.3 Place – distribution channels:

- Advantages and disadvantages of different channels, e.g. use of wholesalers, retailers or direct to consumers
- Recommend and justify an appropriate distribution channel in given circumstances

#### 3.3.4 Promotion:

- The aims of promotion
- Different forms of promotion and how they influence sales, e.g. advertising, sales promotion
- The need for cost-effectiveness in spending the marketing budget on promotion

#### 3.3.5 Technology and the marketing mix:

- Define and explain the concept of e-commerce
- The opportunities and threats of e-commerce to business and consumers
- Use of the internet and social media networks for promotion

### 3.4 Marketing strategy

#### 3.4.1 Justify marketing strategies appropriate to a given situation:

- Importance of different elements of the marketing mix in influencing consumer decisions in given circumstances
- Recommend and justify an appropriate marketing strategy in given circumstances

#### 3.4.2 The nature and impact of legal controls related to marketing:

- Impact of legal controls on marketing strategy, e.g. misleading promotion, faulty and dangerous goods

#### 3.4.3 The opportunities and problems of entering new foreign markets:

- Growth potential of new markets in other countries
  - Problems of entering foreign markets, e.g. cultural differences and lack of knowledge
  - Benefits and limitations of methods to overcome such problems, e.g. joint ventures, licensing
-

## 4 Operations management

### 4.1 Production of goods and services

#### 4.1.1 The meaning of production:

- Managing resources effectively to produce goods and services
- Difference between production and productivity
- Benefits of increasing efficiency and how to increase it, e.g. increasing productivity by automation and technology, improved labour skills
- Why businesses hold inventories
- The concept of lean production: how to achieve it, e.g. just-in-time inventory control and Kaizen; benefits of lean production

#### 4.1.2 The main methods of production:

- Features, benefits and limitations of job, batch and flow production
- Recommend and justify an appropriate production method for a given situation

#### 4.1.3 How technology has changed and is changing production methods, e.g. using computers in design and manufacturing

### 4.2 Costs, scale of production and break-even analysis

#### 4.2.1 Identify and classify costs:

- Classifying costs using examples, e.g. fixed, variable, average, total
- Use cost data to help make simple cost-based decisions, e.g. to stop production or continue

#### 4.2.2 Economies and diseconomies of scale:

- The concept of economies of scale with examples, e.g. purchasing, marketing, financial, managerial, technical
- The concept of diseconomies of scale with examples, e.g. poor communication, lack of commitment from employees, weak coordination

#### 4.2.3 Break-even analysis:

- The concept of break-even
- Construct, complete or amend a simple break-even chart
- Interpret a given chart and use it to analyse a situation
- Calculate break-even output from given data
- Define, calculate and interpret the margin of safety
- Use break-even analysis to help make simple decisions, e.g. impact of higher price
- Understand the limitations of break-even analysis

### 4.3 Achieving quality production

#### 4.3.1 Why quality is important and how quality production might be achieved:

- What quality means and why it is important for all businesses
- The concept of quality control and how businesses implement quality control
- The concept of quality assurance and how this can be implemented

*continued*

## **4 Operations management *continued***

### **4.4 Location decisions**

4.4.1 The main factors influencing the location and relocation decisions of a business:

- Factors relevant to the location decision of manufacturing businesses and service businesses
  - Factors that a business could consider when deciding which country to locate operations in
  - The role of legal controls on location decisions
  - Recommend and justify an appropriate location for a business in given circumstances
-

## 5 Financial information and decisions

### 5.1 Business finance: needs and sources

#### 5.1.1 The need for business finance:

- The main reasons why businesses need finance, e.g. start-up capital, capital for expansion and additional working capital
- Understand the difference between short-term and long-term finance needs

#### 5.1.2 The main sources of finance:

- Internal sources and external sources with examples
- Short-term and long-term sources with examples, e.g. overdraft for short-term finance and debt or equity for long-term finance
- Importance of alternative sources of capital, e.g. micro-finance, crowd-funding
- The main factors considered in making the financial choice, e.g. size and legal form of business, amount required, length of time, existing loans
- Recommend and justify appropriate source(s) of finance in given circumstances

### 5.2 Cash-flow forecasting and working capital

#### 5.2.1 The importance of cash and of cash-flow forecasting:

- Why cash is important to a business
- What a cash-flow forecast is, how a simple one is constructed and the importance of it
- Amend or complete a simple cash-flow forecast
- How to interpret a simple cash-flow forecast
- How a short-term cash-flow problem might be overcome, e.g. increasing loans, delaying payments, asking debtors to pay more quickly

#### 5.2.2 Working capital:

- The concept and importance of working capital

### 5.3 Income statements

#### 5.3.1 What profit is and why it is important:

- How a profit is made
- Importance of profit to private sector businesses, e.g. reward for risk-taking/enterprise, source of finance
- Difference between profit and cash

#### 5.3.2 Income statements:

- Main features of an income statement, e.g. revenue, cost of sales, gross profit, profit and retained profit
- Use simple income statements in decision-making based on profit calculations (*constructing income statements will **not** be assessed*)

### 5.4 Statement of financial position

#### 5.4.1 The main elements of a statement of financial position:

- The main classifications of assets and liabilities, using examples

#### 5.4.2 Interpret a simple statement of financial position and make deductions from it, e.g. how a business is financing its activities and what assets it owns, sale of inventories to raise finance (*constructing statements of financial position will **not** be assessed*)

*continued*

## **5 Financial information and decisions *continued***

### **5.5 Analysis of accounts**

#### 5.5.1 Profitability:

- The concept and importance of profitability

#### 5.5.2 Liquidity:

- The concept and importance of liquidity

#### 5.5.3 How to interpret the financial performance of a business by calculating and analysing profitability ratios and liquidity ratios:

- Gross profit margin
- Profit margin
- Return on Capital Employed
- Current ratio
- Acid test ratio

#### 5.5.4 Why and how accounts are used:

- Needs of different users of accounts and ratio analysis
  - How users of accounts and ratio results might use information to help make decisions, e.g. whether to lend to or invest in the business
-



## 6 External influences on business activity

### 6.1 Economic issues

#### 6.1.1 Business cycle:

- Main stages of the business cycle, e.g. growth, boom, recession, slump
- Impact on businesses of changes in employment levels, inflation and Gross Domestic Product (GDP)

#### 6.1.2 How government control over the economy affects business activity and how businesses may respond:

- Identify government economic objectives, e.g. increasing Gross Domestic Product (GDP)
- Impact of changes in taxes and government spending
- Impact of changes in interest rates
- How businesses might respond to these changes

### 6.2 Environmental and ethical issues

#### 6.2.1 Environmental concerns and ethical issues as both opportunities and constraints for businesses:

- How business activity can impact on the environment, e.g. global warming
- The concept of externalities: possible external costs and external benefits of business decisions
- Sustainable development; how business activity can contribute to this
- How and why business might respond to environmental pressures and opportunities, e.g. pressure groups
- The role of legal controls over business activity affecting the environment, e.g. pollution controls
- Ethical issues a business might face: conflicts between profits and ethics
- How business might react and respond to ethical issues, e.g. child labour, paying fair prices to suppliers

### 6.3 Business and the international economy

#### 6.3.1 The importance of globalisation:

- The concept of globalisation and the reasons for it
- Opportunities and threats of globalisation for businesses
- Why governments might introduce import tariffs and import quotas

#### 6.3.2 Reasons for the importance and growth of multinational companies (MNCs):

- Benefits to a business of becoming a multinational and the impact on its stakeholders
- Potential benefits to a country and/or economy where a MNC is located, e.g. jobs, exports, increased choice, investment
- Potential drawbacks to a country and/or economy where a MNC is located, e.g. reduced sales of local businesses, repatriation of profits

#### 6.3.3 The impact of exchange rate changes:

- Depreciation and appreciation of an exchange rate
- How exchange rate changes can affect businesses as importers and exporters of products, e.g. prices, competitiveness, profitability (*exchange rate calculations will **not** be assessed*)

## BOOK LIST

---

The reading list is indicative and not exhaustive.

These books are endorsed by Cambridge Assessment for use with this syllabus.

Author	Title/Publisher	ISBN
Bentley, P	<i>Cambridge IGCSE Business Studies: Revision Guide</i> Letts, 2018	9780008260149
Borrington, K and Stimpson, P	<i>Cambridge IGCSE and O Level Business Studies</i> Hodder, 2018	9781510421233
Dean, A, Machin D and Gardiner, M	<i>Cambridge IGCSE Business Studies: Student's Book</i> Collins, 2018	9780008258054
Fisher, M, Houghton, M and Jain, V	<i>Cambridge IGCSE and O Level Business Studies: Coursebook</i> Cambridge University Press, 2018	9781108563987
Houghton, M	<i>Cambridge IGCSE and O Level Business Studies: Revision Guide</i> Cambridge University Press, 2018	9781108441742
Machin, D, Beere, J, Dean, A and Gardiner, M	<i>Cambridge IGCSE Business Studies: Teacher's Guide</i> Collins, 2018	9780008258061