



LCCI
International
Qualifications

L2

Pearson LCCI Level 2 Certificate in Business Fundamentals (ASE20300)

SPECIFICATION

First teaching from January 2019

Edexcel, BTEC and LCCI qualifications

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Acknowledgements

This specification has been produced by Pearson on the basis of consultation with teachers, examiners, consultants and other interested parties. Pearson would like to thank all those who contributed their time and expertise to the specification's development.

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Introduction

LCCI qualifications

LCCI qualifications are widely regarded by employers as preparing students for key functions of modern international business. Employers, universities and professional bodies recognise them across the world.

This new and engaging range of qualifications has been developed in collaboration with professional bodies, employers and customers. To ensure that the qualifications develop the breadth and depth of knowledge, skills and understanding that students need to be effective employees and that they support progression pathways, we have carried out in-depth, independent consultation.

Pearson offers a wide range of LCCI qualifications; they are available at Levels 1 to 4 across the following subject areas:

- Business
- English Language
- Financial and Quantitative
- Marketing.

This specification is part of the Business suite of LCCI qualifications.

This qualification replaces the Pearson LCCI Level 2 Certificate in Business Administration (ASE20071) and the Pearson LCCI Level 2 Certificate in Business Principles and Practice (ASE20073).

Purpose of the specification

This specification sets out:

- the objectives of the qualification
- any other qualification(s) that a student must have completed before taking the qualification
- any prior knowledge and skills that the student is required to have before taking the qualification
- any other requirements that a student must satisfy before they will be assessed or before the qualification will be awarded
- the knowledge, understanding and skills that will be assessed as part of the qualification
- the method of assessment and any associated requirements relating to it
- the criteria against which a student's level of attainment will be measured.

Rationale

The Pearson LCCI Level 2 Certificate in Business Fundamentals meets the following purpose.

It is for students who want to start a career in business or who have been in a business entry-level position for up to six months and are looking to develop their skills, or are in the general field of business and need to know the basics of the environment in which businesses operate.

Qualification aim

The Pearson LCCI Level 2 Certificate in Business Fundamentals has been developed in consultation with professional bodies, employers and centres.

It is an ideal qualification for students intending to progress to direct employment in business.

This qualification gives students the knowledge, understanding, skills and behaviours expected by employers in the business sector. This gives students the best opportunity to be successful in applying for work in entry-level positions.

The areas that students will cover include:

- the business environment
- communications and the customer
- management information systems and business documentation
- business policies
- personal skills and performance.

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Specification at a glance

The Pearson LCCI Level 2 Certificate in Business Fundamentals (ASE20300) consists of one externally-examined paper.

Title: Pearson LCCI Level 2 Certificate in Business Fundamentals	
<ul style="list-style-type: none">Externally assessed.	100% of the total qualification
Overview of content	
<ul style="list-style-type: none">The business environmentCommunication and the customerManagement information systems and business documentationBusiness policiesPersonal skills and performance	
Overview of assessment	
<ul style="list-style-type: none">One written, externally-set and marked paper, contributing 100% of the overall grade of the qualification.The examination will be 3 hours.The examination will consist of 100 marks.There will be five questions.Students should answer all questions.Questions comprise of multiple-choice, short open-response and extended open-response questions.Students will be graded Pass/Merit/Distinction. A result of Fail will be recorded where students do not achieve the required marks for a Pass.	

Knowledge, skills and understanding

Content

To prepare students for the final assessment of this qualification, the following content must be covered.

1. The business environment

Subject content	What students need to learn
1.1 The purpose of business activity	<p>Understand how businesses operate to meet the demands of the consumer and achieve business objectives.</p> <ul style="list-style-type: none">• The purpose of business activity:<ul style="list-style-type: none">○ combine factors of production (labour, land, capital, enterprise/entrepreneurship)○ add value to products○ satisfy consumer demand○ satisfy customer needs○ meet business objectives.• The main features of a competitive market:<ul style="list-style-type: none">○ buyers○ sellers○ profit motive.• The role, risks and rewards of the entrepreneur:<ul style="list-style-type: none">○ identifies market opportunities○ combines together the factors of production○ loss of capital○ response of competitors○ make a profit○ personal satisfaction○ social and ethical responsibility.

Subject content	What students need to learn
	<ul style="list-style-type: none"> • Main business objectives: <ul style="list-style-type: none"> ○ profits ○ sales revenue ○ market share ○ cost control (reduction of waste, increased productivity/efficiency).
1.2 Types of business organisation	<p>Know the key features, differences between, and advantages and disadvantages of the main types of business organisation.</p> <ul style="list-style-type: none"> • Private and public sectors. • Sole traders, partnerships, private limited companies (Ltd), public limited companies (Plc): <ul style="list-style-type: none"> ○ unlimited and limited liability and the implications for business owners. • Public corporations and public services.
1.3 Business departments	<p>Understand how businesses are structured and how the main departments contribute to business objectives.</p> <ul style="list-style-type: none"> • Organisation structures: <ul style="list-style-type: none"> ○ purpose (shows the structure, communication channels and hierarchy) ○ features (shows job roles and span of control). • The functions of the main departments in a business: <ul style="list-style-type: none"> ○ marketing (market research, advertising, sales promotion, branding, packaging design, methods of distribution) ○ production (manufacturing, production schedules, inventory/stock control, productivity, quality control and assurance) ○ finance (bookkeeping, preparing financial statements, budget setting, payroll, petty cash, monitoring cash flow) ○ human resources (workforce planning, recruitment, training, pay and rewards, motivation, health and safety, employee welfare, employment issues, disciplinary and grievance procedure, dismissal and redundancy).

Subject content	What students need to learn
<p>1.4 Business stakeholders</p>	<p>Understand the main business stakeholders and their influence on a business, and how corporate social responsibility initiatives can contribute towards meeting the needs and interests of different stakeholder groups.</p> <ul style="list-style-type: none"> • Business stakeholders: <ul style="list-style-type: none"> ○ internal (owners/shareholders, employees) ○ external (customers, creditors, community, government) • Impact of corporate social responsibility (CSR).
<p>1.5 Business planning and performance</p>	<p>Understand the purpose of business planning, a business plan and how the performance of a business can be measured.</p> <ul style="list-style-type: none"> • The main features of business planning: <ul style="list-style-type: none"> ○ SWOT analysis (strengths, weaknesses, opportunities and threats) ○ business objectives ○ identifying risks. • The main components of a business plan: <ul style="list-style-type: none"> ○ name of business ○ product (goods and services) offered ○ market research ○ costs, revenue and profit ○ performance targets ○ contingency planning. • Financial performance measures: <ul style="list-style-type: none"> ○ sales revenue ○ gross profit ○ profit for year ○ average cost of production.

Subject content	What students need to learn
	<ul style="list-style-type: none"> • Non-financial performance measures: <ul style="list-style-type: none"> ○ production/productivity ○ market share ○ customer satisfaction ○ brand recognition.
1.6 The influence of technology on business	<p>Understand the advantages and disadvantages for businesses of using technology to achieve their objectives.</p> <ul style="list-style-type: none"> • Internet (email, intranet, websites, social media, e-commerce). • Business software packages (databases, word processing, spreadsheets, presentation software, teleconferencing, management information systems (MIS)).
1.7 Business finance	<p>Understand why a business requires finance, the main sources of business finance and the financial statements produced by a business.</p> <ul style="list-style-type: none"> • The need for finance: <ul style="list-style-type: none"> ○ start-up finance ○ short-term needs ○ long-term needs ○ finance for expansion. • Internal sources of finance: <ul style="list-style-type: none"> ○ personal savings ○ retained earnings ○ selling assets. • External sources of finance: <ul style="list-style-type: none"> ○ overdraft and trade payables ○ loan capital, share capital, including stock market floatation (public limited companies) ○ venture capital ○ crowdfunding.

Subject content	What students need to learn
	<ul style="list-style-type: none"> • The reasons for keeping financial records: <ul style="list-style-type: none"> ○ to record financial transactions ○ for tax/legal compliance ○ to monitor cash flow ○ to ensure financial obligations are met ○ to monitor financial targets ○ to present information to shareholders ○ to produce financial statements. • The information contained within the main financial statements: <ul style="list-style-type: none"> ○ statement of comprehensive income: <ul style="list-style-type: none"> – gross profit – other operating expenses – profit for the year – retained earnings – distributed profit ○ statement of financial position: <ul style="list-style-type: none"> – assets – liabilities – equity.
1.8 Globalisation	<p>Understand the influence of globalisation to a business.</p> <ul style="list-style-type: none"> • Features of globalisation: <ul style="list-style-type: none"> ○ international – markets, multinationals, mobility of the factors of production, currencies, communication systems, trading blocs. • Advantages and disadvantages of globalisation: <ul style="list-style-type: none"> ○ new markets, outsourcing, labour recruitment from other countries, competition, costs, trading blocs.

2. Communication and the customer

Subject content	What students need to learn
2.1 Business communication	<p>Understand the importance of business communication and the advantages and disadvantages of different methods of business communication.</p> <ul style="list-style-type: none">• The importance of business communication in relation to:<ul style="list-style-type: none">○ the management of employees○ company ethos○ house style○ corporate image○ creating a brand○ communicating with customers and other stakeholders○ maintaining records.• Different types of communication used in business:<ul style="list-style-type: none">○ written (letter, email, newsletter, noticeboard)○ verbal (telephone, web conferencing, meetings, one to one, presentations).• The difference between formal and informal business communication.
2.2 Customer service	<p>Understand the importance of customer service in meeting business objectives.</p> <ul style="list-style-type: none">• The difference between internal and external customers.• Types of customer service provision:<ul style="list-style-type: none">○ customer service agents○ telephone helplines○ internet chat lines○ written advice and guidance on products○ after-sales services, including repairs and return of faulty goods○ 24/7 ordering facilities.

Subject content	What students need to learn
	<ul style="list-style-type: none"> • How businesses obtain customer feedback: <ul style="list-style-type: none"> ○ questionnaires ○ surveys ○ online reviews ○ suggestion boxes ○ focus groups. • The impact of customer feedback on the business: <ul style="list-style-type: none"> ○ changes to business practices ○ quality improvements. • Features of effective business communication with customers: <ul style="list-style-type: none"> ○ use of language ○ tone of voice ○ empathy.

3. Management information systems and business documentation

Subject content	What students need to learn
3.1 Management information systems and business risks	<p>Understand why businesses require management information and how it can be used to support decision making and reduce risks in the main departments.</p> <ul style="list-style-type: none">• The main features of a management information system (MIS):<ul style="list-style-type: none">○ integrated computer network (intranet)○ electronic data storage○ data processing and data analysis○ report generation○ document transmission.• Disadvantages to businesses of using MIS:<ul style="list-style-type: none">○ equipment cost○ requirements for employee training○ software and equipment updating○ system reliability○ system security○ technical support.• Business risks and their impact on a business:<ul style="list-style-type: none">○ increased costs○ increased competition○ poor-quality products○ shortages in factors of production (raw materials, components, labour)○ reduction in demand/revenue/profits○ lack of finance○ disruption in supplies○ poor publicity○ legal action resulting in fines.

Subject content	What students need to learn
	<ul style="list-style-type: none"> • The external factors affecting business risks and decisions: <ul style="list-style-type: none"> ○ political – change in laws/regulations ○ economic – change in tax/interest rates ○ social – lifestyle changes ○ technological – automation/robotics. • Advantages to the main departments of using a management information system (MIS) to control business risks: <ul style="list-style-type: none"> ○ marketing (market research, customer feedback) ○ production (monitoring the quality of factor inputs and output) ○ human resources (workforce planning, personnel policies) ○ finance (budget setting, monitoring and control of costs and revenue streams).
3.2 Sales and purchasing documents	<p>Understand the purpose and preparation of sales and purchasing documents, checking their accuracy, highlighting errors and making amendments as needed.</p> <ul style="list-style-type: none"> • Sales and purchasing documentation: <ul style="list-style-type: none"> ○ quotation ○ invoice ○ credit note ○ debit note ○ goods received note ○ goods returned note ○ purchase requisition note ○ purchase order ○ delivery advice note.

4. Business policies

Subject content	What students need to learn
<p>4.1 The need for business policies</p>	<p>Understand why it is important for a business to establish business policies and the advantages and disadvantages of the methods used to communicate them to its employees.</p> <ul style="list-style-type: none"> • The case for establishing business policies to: <ul style="list-style-type: none"> ○ keep within the law ○ support business procedures ○ regulate the behaviour of employees ○ establish a company ethos. • How businesses formally communicate their policies to employees: <ul style="list-style-type: none"> ○ induction ○ employee handbooks ○ intranet ○ training ○ newsletter.
<p>4.2 The classification of business policies</p>	<p>Understand the difference between compulsory (statutory) and voluntary (non-statutory) policies and their implications on a business.</p> <ul style="list-style-type: none"> • The legal requirements of statutory policies on a business: <ul style="list-style-type: none"> ○ health and safety (published policy, health and safety officer, employee training, provision of protective equipment and clothing, risk assessments, regular fire drills) ○ data protection (secure storage, confidentiality, rules regarding disclosure, access arrangements) ○ consumer protection (products should be safe and fit for purpose, rules regarding refunds, advertising must not be false, interest charges for goods sold on credit must be disclosed) ○ employment legislation (equal opportunities, minimum wage, contract of employment – pay, working hours, holiday entitlement).

Subject content	What students need to learn
	<ul style="list-style-type: none"> • Reasons why businesses create non-statutory policies and their advantages and disadvantages. • The consequences for the business of breaches in statutory policies: <ul style="list-style-type: none"> ○ legal action ○ financial (fines) ○ imprisonment (in some countries) ○ consumer response ○ corporate image.
<p>4.3 The responsibilities of directors and business managers</p>	<p>Understand the responsibilities and implications for the board of directors and its managers in relation to the establishment and monitoring of business policies.</p> <ul style="list-style-type: none"> • The role and responsibilities of the board of directors: <ul style="list-style-type: none"> ○ determine the mission and policies of the business ○ set strategy and organisational structure within which the policies will operate ○ take into account the interests of shareholders (including legal responsibilities of the business, business performance, profits, dividends) and ensure the business is operating within the law ○ delegate duties to managers and monitor the implementation of policies within the business. • The role and responsibilities of managers: <ul style="list-style-type: none"> ○ in charge of specific teams, departments or activities in the business ○ ensure that policies agreed by the board of directors are implemented ○ ensure that policies are communicated and understood by their employees ○ address any instances where policies are not followed by individual employees ○ provide data and reports that help to evaluate the effectiveness of policies ○ provide specialist advice on the content of business policies.

Subject content	What students need to learn
<p>4.4 Business meetings</p>	<p>Understand the purpose and structure of business meetings and their role in monitoring the implementation and effectiveness of business policies.</p> <ul style="list-style-type: none"> • The purpose of meetings: <ul style="list-style-type: none"> ○ communication ○ monitoring policies ○ participation and problem solving ○ giving advice ○ generating new ideas ○ making recommendations. • The structure of meetings: <ul style="list-style-type: none"> ○ chair (leads the meeting; sets the agenda; ensures actions are agreed, implemented and monitored) ○ vice chair (stands in for the chair as required to ensure continuity) ○ secretary (provides the administrative support to the chair and the committee, including setting the dates of meetings, the agenda, minutes, actions arising and monitoring attendance of committee members) ○ meeting participants – managers from specific departments or sections within the business.
<p>4.5 The responsibilities of the employee</p>	<p>Understand the responsibilities of and impact on the employee in relation to business policies when carrying out their job.</p> <ul style="list-style-type: none"> • Responsibilities of the employee: <ul style="list-style-type: none"> ○ health and safety – knowing the procedures, responsibility for their own safety and the safety of others, attending training ○ consumer protection – ensuring that consumers are given the correct information and advice about products ○ data protection – following the procedures regarding the collection and storage/sharing of personal data

Subject content	What students need to learn
	<ul style="list-style-type: none"> ○ employment – behaving in a way that is not offensive to other employees. ● The impact on the employee if they do not follow business policies: <ul style="list-style-type: none"> ○ informal discussion with line manager ○ formal meeting with line manager ○ appraisal target ○ additional training ○ disciplinary actions/sanctions (monitoring, suspension, loss of job).

5. Personal skills and performance

Subject content	What students need to learn
5.1 How a business supports employee performance in the workplace	<p>Understand the business practices that can support, improve and reward employee performance in the workplace.</p> <ul style="list-style-type: none">• How a business can support and reward the employee in the workplace:<ul style="list-style-type: none">○ training (on the job, off the job)○ job rotation○ work shadowing○ mentoring○ coaching○ induction○ pay systems (basic pay, overtime, performance bonus, piece rate).• The advantages to the business and the employee of supporting employee performance in the workplace:<ul style="list-style-type: none">○ meeting personal targets○ supporting career progression○ meeting team targets○ improving business performance:<ul style="list-style-type: none">– employee motivation– customer service– improving business systems and processes– improving financial performance– enhancing business reputation.

Subject content	What students need to learn
<p>5.2 Personal performance targets</p>	<p>Understand why personal performance targets are set and how they can be used to improve skills, qualities and qualifications.</p> <ul style="list-style-type: none"> • The difference between skills, qualities and qualifications and how they are applied in business: <ul style="list-style-type: none"> ○ workplace skills – the ability to perform set tasks (operate machinery, input data into a computer, compose business communications, research the internet, set up and maintain a manual or computerised filing system) ○ personal qualities – punctuality, reliability, creativity, cooperative, team player, focused, target driven, flexibility, adaptability ○ qualifications – an accredited confirmation that a person has acquired a certain level of knowledge or skills. • Performance review: <ul style="list-style-type: none"> ○ purpose – review individual performance, provide feedback, identify workplace issues affecting individual performance, identify training opportunities, set and monitor targets ○ features – line manager and individual employee, annual with periodic reviews, confidential, written record maintained, grade judgements, may be linked to salary progression. • The features of a specific, measurable, achievable, relevant, time-bound (SMART) target.

Note: Students must be aware of relevant legislation, regulations and codes of practice but the specific names, dates and sections of these will not be assessed.

Delivery guidance

This qualification is not linked to any specific sector of business or workplace role. Teachers are, therefore, encouraged to use a variety of examples and scenarios drawn from the business environment.

Business scenarios and short case studies can be particularly useful when used in small-group work as they give students the opportunity to work with their peers to identify key issues and how they can be addressed, particularly from the perspective of an individual employee. This is useful for developing the skills required for analysing different approaches to workplace issues.

Examinations for this qualification will use the dollar (\$) as standard currency.

Assessment

Assessment summary

Pearson LCCI Level 2 Certificate in Business Fundamentals

First teaching: January 2019

First assessment: June 2019

Number of series: 4

Availability: April, June, September and November

Overview of content

- The business environment
- Communication and the customer
- Management information systems and business documentation
- Business policies
- Personal skills and performance

Overview of assessment

- One written, externally-set and marked paper, contributing 100% of the overall grade of the qualification.
- The examination will be 3 hours.
- The examination will consist of 100 marks.
- Students will be graded Pass/Merit/Distinction. A result of Fail will be recorded where students do not achieve the required marks for a Pass.
- Students answer all questions.
- The paper comprises multiple-choice, short open-response and extended open-response questions.

Assessment objectives

Students must:		% of qualification
AO1	Memorise Recall facts and terminology of the business environment.	40
AO2	Demonstrate understanding Demonstrate understanding of how businesses operate, communicate and use management information systems (MIS), and the impact of business policies.	40
AO3	Apply concepts Apply concepts of business practices that support personal skills and performance and links between statutory and non-statutory policies and their implications on a business.	10
AO4	Analyse information Analyse the classification of business policies and how a business supports individual performance in the workplace.	10
Total		100

There will be a small tolerance applied to these target percentages to ensure that overall assessment difficulty is consistent across each series. The maximum range is +/- 2%

Performance descriptors

Grade	Descriptor
Pass	<p>Students will be able to recall basic facts and terminology of the business environment and demonstrate basic understanding of the purpose of business activity, business organisations, departments and stakeholders.</p> <p>They will be able to demonstrate a basic understanding of management information systems (MIS), and how businesses operate, communicate and provide customer service.</p> <p>Students will be able to apply basic concepts of business practices to support individual performance in the workplace and make basic links between statutory and non-statutory policies and their implications.</p> <p>They will be able to analyse basic information on how the performance of an individual employee can influence the performance of a business.</p>
Distinction	<p>Students will be able to recall detailed facts and terminology of the business environment and demonstrate a detailed understanding of the purpose of business activity, business organisations, departments and stakeholders and the influence of technology and globalisation on businesses.</p> <p>They will be able to demonstrate a detailed understanding of the importance of how businesses operate, communicate and provide customer service, and how management information systems (MIS) can be used to support decision making and reduce business risks.</p> <p>Students will be able to apply detailed concepts of business practices to support individual performance in the workplace and explain its advantages and disadvantages, and they will make detailed links between statutory and non-statutory policies and their implications on a business.</p> <p>They will be able to analyse detailed information on how the performance of an individual employee can influence the performance of a business and how a business can support and improve individual performance in the workplace.</p>

Entry and assessment information

Student entry

Details on how to enter candidates for the examination for this qualification can be found at: qualifications.pearson.com

The closing date for entries is approximately six weeks before the start of each examination series. Centres should refer to the published examination timetable for examination dates.

Combinations of entry

There are no forbidden combinations of entry for this qualification.

Age

Students must be a minimum of 16 years old to be entered for this qualification.

Resitting the qualification

Candidates can resit the examination for Pearson LCCI Level 2 Certificate in Business Fundamentals (ASE20300). Candidates can be entered immediately for the next series of the next examination for this qualification.

Awarding and reporting

The Pearson LCCI Level 2 Certificate in Business Fundamentals (ASE20300) qualification is graded and certificated on a three-grade scale: Pass/Merit/Distinction.

Access arrangements, reasonable adjustments and special consideration

Access arrangements

Access arrangements are agreed before an assessment. They allow students with special educational needs, disabilities or temporary injuries to:

- access the assessment
- show what they know and can do, without changing the demands of the assessment.

The intention behind an access arrangement is to meet the particular needs of an individual student with a disability, without affecting the integrity of the assessment. Access arrangements are the principal way in which awarding bodies comply with their duty under the Equality Act 2010 to make 'reasonable adjustments'.

Access arrangements should always be processed at the start of the course. Students will then know what is available and have the access arrangement(s) in place for assessment.

Reasonable adjustments

The Equality Act 2010 requires an awarding organisation to make reasonable adjustments where a person with a disability would be at a substantial disadvantage in undertaking an assessment. The awarding organisation is required to take reasonable steps to overcome that disadvantage.

A reasonable adjustment for a particular person may be unique to that individual and therefore might not be in the list of available access arrangements.

Whether an adjustment will be considered reasonable will depend on a number of factors, which will include:

- the needs of the student with the disability
- the effectiveness of the adjustment
- the cost of the adjustment; and
- the likely impact of the adjustment on the student with the disability and other students.

An adjustment will not be approved if it involves unreasonable costs to the awarding organisation, has untenable timeframes or affects the security or integrity of the assessment. This is because the adjustment is not 'reasonable'.

Special consideration

Special consideration is a post-examination adjustment to a student's mark or grade to reflect temporary injury, illness or other indisposition at the time of the examination or assessment, which has had, or is reasonably likely to have had, a material effect on a candidate's ability to take an assessment or demonstrate their level of attainment in an assessment.

Further information

Please see our website for further information about how to apply for access arrangements and special consideration.

For further information about access arrangements, reasonable adjustments and special consideration please refer to the JCQ website: www.jcq.org.uk

Equality Act 2010 and Pearson equality policy

Equality and fairness are central to our work. Our equality policy requires all students to have equal opportunity to access our qualifications and assessments, and our qualifications to be awarded in a way that is fair to every student.

We are committed to making sure that:

- students with a protected characteristic (as defined by the Equality Act 2010) are not, when they are undertaking one of our qualifications, disadvantaged in comparison to students who do not share that characteristic
- all students achieve the recognition they deserve for undertaking a qualification and that this achievement can be compared fairly to the achievement of their peers.

You can find details of how to make adjustments for students with protected characteristics in the policy document *Access Arrangements, Reasonable Adjustments and Special Considerations*, which is on our website: qualifications.pearson.com

Candidate malpractice

Candidate malpractice refers to any act by a candidate that compromises or seeks to compromise the process of assessment, or which undermines the integrity of the qualifications or the validity of results/certificates.

Candidate malpractice in examinations must be reported to Pearson using a *JCQ Form M1* (available at www.jcq.org.uk/exams-office/malpractice). The form can be emailed to pqsmalpractice@pearson.com or can be posted to: Investigations Team, Pearson, 190 High Holborn, London, WC1V 7BH. Please provide as much information and supporting documentation as possible. Note that the final decision regarding appropriate sanctions lies with Pearson.

Failure to report malpractice constitutes staff or centre malpractice.

Staff/centre malpractice

Staff and centre malpractice includes both deliberate malpractice and maladministration of our qualifications. As with candidate malpractice, staff and centre malpractice is any act that compromises or seeks to compromise the process of assessment, or which undermines the integrity of the qualifications or the validity of results/certificates.

All cases of suspected staff malpractice and maladministration must be reported immediately, before any investigation is undertaken by the centre, to Pearson on a *JCQ Form M2(a)* (available at www.jcq.org.uk/exams-office/malpractice). The form, supporting documentation and as much information as possible can be emailed to pqsmalpractice@pearson.com or posted to: Investigations Team, Pearson, 190 High Holborn, London, WC1V 7BH. Note that the final decision regarding appropriate sanctions lies with Pearson.

Failure to report malpractice itself constitutes malpractice.

More detailed guidance on malpractice can be found in the latest version of the document *General and Vocational Qualifications Suspected Malpractice in Examinations and Assessments Policies and Procedures*, available at: www.jcq.org.uk/exams-office/malpractice

Language of assessment

Assessment of this specification will be in English only. Assessment materials will be published in English only and all work submitted for examination must be in English only.

Other information

Total Qualification Time (TQT) and Guided Learning Hours (GLH)

For all regulated qualifications, we specify a total number of hours that students are expected to undertake in order to complete and show achievement for the qualification – this is the Total Qualification Time (TQT). The TQT value indicates the size of a qualification.

Within the TQT, we identify the number of Guided Learning Hours (GLH) that a centre delivering the qualification needs to provide. Guided learning means activities that directly or immediately involve tutors and assessors in teaching, supervising, and invigilating students, for example lectures, tutorials, online instruction and supervised study.

As well as guided learning, there may be other required learning that is directed by tutors or assessors. This includes, for example, private study, preparation for assessment and undertaking assessment when not under supervision, such as preparatory reading, revision and independent research.

TQT and GLH are assigned after consultation with users of the qualifications.

This qualification has a TQT value of 150 and a GLH of 120.

Student recruitment

Pearson follows the JCQ policy concerning recruitment to our qualifications in that:

- they must be available to anyone who is capable of reaching the required standard
- they must be free from barriers that restrict access and progression
- equal opportunities exist for all students.

Prior learning and other requirements

There are no formal entry requirements for this qualification.

Students may be studying in a local language but the assessment will be in English. Pearson recommends students have B1 level of English on the Common European Framework of Reference (CEFR). This will support access to the assessment materials and ensure that students are able to communicate responses effectively.

Pearson's *Recognition of prior learning policy and process* document can be found at qualifications.pearson.com/policies

Progression

The progression route for the Pearson LCCI Level 2 Certificate in Business Fundamentals is primarily into entry-level employment. However, it may also help with progression routes across the suites, to qualifications such as:

- Pearson LCCI Level 2 Diploma in Business
- Pearson LCCI Level 2 Advanced Diploma in Business
- Pearson LCCI Level 3 Diploma in Business
- Pearson LCCI Level 3 Advanced Diploma in Business and Enterprise.
- It will also allow students to progress to the LCCI Financial and Quantitative suite.

Exemptions

We are seeking exemptions for our qualifications from a number of professional bodies. For the latest list, please visit the Pearson LCCI website and choose your relevant qualification.

Codes

This qualification is approved by Ofqual and meets the Ofqual General Conditions for inclusion on the Register of Regulated Qualifications. The Qualification Number (QN) is: 603/3108/2.

The subject code for Pearson LCCI Level 2 Certificate in Business Fundamentals is: ASE20300. The subject code is used by centres to enter students for a qualification. Centres will need to use the entry codes only when claiming students' qualifications.

Support, training and resources

Training

Pearson offers support and training to teachers on the standard of delivery and preparing students to meet the assessment requirements.

Specifications, sample assessment materials and teacher support materials

The *Pearson LCCI Level 2 Certificate in Business Fundamentals Sample Assessment Materials* document (ISBN 9781446956779) can be downloaded from qualifications.pearson.com/lcci

To find a list of all the support documents available, please visit qualifications.pearson.com/lcci

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Appendix 1: Glossary of International Accounting Standards (IAS) terminology

The following is a glossary of the comparison between the International Accounting Standards (IAS) terminology and the UK GAAP (Generally Accepted Accounting Practice in the UK) terminology. IAS terminology is used in the content of the LCCI financial and quantitative suite of qualifications but not all terms are present in all levels of the qualifications.

Centres should be aware that these terms are also referred to as International Financial Reporting Standards (IFRS), in certain contexts within the industry, however, the definitions and meaning remain the same.

IAS terminology	Previously used UK GAAP terminology
Financial statements	Final accounts
Statement of comprehensive income	Trading and profit and loss account
Revenue	Sales
Raw materials/ordinary goods purchased	Purchases
Cost of sales	Cost of goods sold
Inventory	Stock
Work in progress	Work in progress
Gross profit	Gross profit
Other operating expenses	Sundry expenses
Allowance for doubtful debt	Provision for doubtful debt
Other operating income	Sundry income
Investment revenues/finance income	Interest receivable
Finance costs	Interest payable
Profit for the year	Net profit
Retained earnings	Profit/loss balance
Statement of changes in equity (limited companies)	Appropriation account
Statement of financial position	Balance sheet

IAS terminology	Previously used UK GAAP terminology
Non-current assets	Fixed assets
Property	Land and buildings
Plant and equipment	Plant and equipment
Investment property	Investments
Intangible assets	Goodwill etc.
Current assets	Current assets
Inventory	Stock
Trade receivables	Debtors
Other receivables	Prepayments
Cash and cash equivalents	Bank and cash
Current liabilities	Current liabilities/creditors: amounts due within 12 months
Trade payables	Creditors
Other payables	Accruals
Bank overdraft and loans	Loans repayable within 12 months
Non-current liabilities	Long-term liabilities/creditors: amounts falling due after 12 months
Bank (and other) loans	Loans repayable after 12 months
Capital or equity	Capital
Share capital	Share capital
Statement of cash flows	Cash flow statement
Other terms	
Inventory count	Stocktake
Carry over	Net book value

Appendix 2: Key words typically used in assessment

The following table shows the key words that will be used consistently by Pearson in our assessments to ensure that students are rewarded for demonstrating the necessary skills.

Please note: the list below will not necessarily be used in every paper/session and is for guidance only.

Command or term	Definition
Describe	<p>Give a clear, objective account in their own words showing recall and, in some cases, application of the relevant features and information about a subject.</p> <p>Use of this verb normally requires breadth of content coverage.</p> <p>Evidence will normally be written but could be through presentation or, less frequently, performance or practice.</p> <p>For example, 'Describe one...'</p>
Discuss	<p>Identify the issue/situation/problem/argument that is being assessed in the question given, exploring all aspects and investigating fully.</p> <p>For example, 'Discuss the...'</p>
Evaluate	<p>Review information before bringing it together to form a conclusion, or come to a supported judgement of a subject's qualities in relation to its context, drawing on evidence: strengths, weaknesses, alternative actions, relevant data or information.</p> <p>For example, 'Evaluate the...'</p>
Explain	<p>Show clear details and give reasons and/or evidence to support an opinion, view or argument.</p> <p>Could show how conclusions are drawn (arrived at). Show that they comprehend the origins, functions and objectives of a subject, and its suitability for purpose.</p> <p>For example, 'Explain one...'</p>
State	<p>Express something definitely or clearly.</p> <p>For example, 'State two...'</p>
Which	<p>Specify one or more items from a definite set.</p> <p>For example, 'Which one of these...?'</p>

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