



BOTSWANA
EXAMINATIONS
COUNCIL

BOTSWANA GENERAL CERTIFICATE
OF SECONDARY EDUCATION

ASSESSMENT SYLLABUS

COMMERCE
CODE 0598



Effective for examination from 2018

0598
CODE

Changes to Syllabus effective from 2018

The major change in this Assessment Syllabus is the use of new accounting terminologies which are also applicable to commerce. Slight modifications have been introduced to the structure and or duration of components 02 and 03. Component 01 remains unchanged.

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FOREWORD

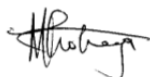
The Botswana Examinations Council is pleased to authorise the publication of the revised Assessment Syllabus for the Commerce senior secondary education programme. The assessment syllabus forms part of the Botswana General Certificate of Secondary Education (BGCSE) suite of syllabi available to candidates who have followed the senior secondary programme. The BGCSE is designed for a wide range of learner ability in line with the aspirations of the Revised National Policy on Education of 1994, and its standards are based on Cambridge GCSE and IGCSE.

Our mission as Botswana Examinations Council is to provide “a credible and responsive assessment and examination system”. In the quest for responsiveness, we advocate for regular reviews of our assessment syllabi to reflect the aims of the national curriculum and international best practice. In this regard, developments have taken place in the professional Accounting field and these have a direct bearing on the teaching and learning of Commerce as a business subject. This revised assessment syllabus therefore aligns the examination to changes in the practice as well as the teaching and learning of Commerce.

As an organisation, BEC values customer feedback as a means towards continual improvement. Feedback collected from previous examination sessions has pointed to a need for slight modifications to the scheme of assessment to further improve the reliability and validity of the outcomes. Such modifications are reflected in this revised syllabus.

Another important feature of this revised syllabus is the inclusion of other pieces of information which are considered valuable to the users, such as the type of candidature to whom the syllabus is available. The contents of the syllabus have also been reorganised to enhance readability and flow of ideas.

This syllabus document is the outcome of a great deal of professional consultation and collaboration, and I wish to extend my thanks to all those who contributed towards its development. On behalf of the Botswana Examinations Council, I wish to record my appreciation for the part played by Cambridge as part of the Accreditation Agreement between them and the Council.



Acting Executive Secretary

I. Introduction

As part of the Botswana General Certificate of Secondary Education, this revised Commerce Assessment Syllabus is designed to assess the outcome of instruction for candidates who have completed a course based on the Senior Secondary Commerce Teaching Syllabus.

This syllabus aims to assess positive achievement at all levels of ability. Candidates will be assessed in ways that encourage them to show what they know, understand and can do, and which provide opportunities to articulate their insights, perceptions and responses.

This revised Commerce Assessment Syllabus should be read in conjunction with the Senior Secondary Commerce Teaching Syllabus

Progression

The BGCSE is a general qualification that enables candidates to progress either directly to employment or to proceed to further qualifications.

2. Scheme of Assessment

All candidates must take **three** papers; Paper 1, Paper 2 and Paper 3 which are described below. The questions will be based on the whole syllabus.

2.1 The components

<p>Paper 1 Multiple choice 1 hour 40 Marks</p> <p>This paper will consist of forty multiple choice items with four possible responses. The questions will be based on the whole syllabus and will test assessment objectives 1, 2, 3 and 4. There are 40 marks for this paper.</p> <p>Weighting: 20% of the total marks.</p>
<p>Paper 2 Written 2 hours 30 minutes 100 Marks</p> <p>The paper will comprise of four stimulus response questions (containing numerical, textual and visual information) and structured-response questions based on topics from the whole of the syllabus. All questions are compulsory and may or may not have the same total marks. The paper will assess assessment objectives 1, 2, 3 and 4. There are 100 marks for this paper.</p> <p>Weighting: 45% of the total marks</p>
<p>Paper 3 Written Case Study 1 hour 45 minutes 80 Marks</p> <p>This written component is designed to test the same knowledge, skills and attitudes of a coursework in a case study. Candidates are required to apply their knowledge of entrepreneurship to comment on commercial issues and to solve commercial problems in the context of a case study. The component is designed to test assessment objectives 1, 2, 3 and 4. There will be four questions with a number of sub-sections (containing numerical, textual and visual information) and structured-response questions. There are 80 marks for this paper. The marks may vary from question to question.</p> <p>Weighting: 35% of the total marks</p>

2.2 Availability

This syllabus is available to both school candidates and private candidates.

2.3 Combining this syllabus with other syllabuses

Candidates may **not** combine this syllabus in an examination series with the following:

- 7100 Cambridge O'Level Commerce

3. Syllabus Aims and Assessment Objectives

3.1 Aims

According to the Commerce Teaching Syllabus, Candidates following the syllabus should acquire and develop:

1. knowledge and understanding of the commercial environment and how changes in that environment affect commercial behaviour;
2. knowledge and understanding of the language, concepts and procedures, of everyday commercial transactions;
3. knowledge, skills, attitudes and ethics in practical decision making, problem solving and team work;
4. an awareness of the importance and application of Information Technology in commercial activities;
5. understanding of the characteristics, functions and purposes of commercial activities and institutions in both the public and the private sectors;
6. the ability to apply skills of numeracy, literacy, enquiry, interpretation and presentation of commercial information in solving day to day commercial problems and making decisions;
7. knowledge and understanding of the organisation, financing and operations of commercial institutions;
8. an awareness of the nature and significance of innovation and change within the context of commercial activities;
9. knowledge of the importance of commercial processes, entrepreneurial skills, positive work habits, values and attitudes necessary for the world of work;
10. the ability to assess personal achievement and skills in the pursuit of commercial career opportunities and or further education;
11. problem solving, critical thinking, communication and team work/interpersonal skills to help them to be productive and adaptive in a changing environment;
12. an appreciation of the need to protect and utilise the resources of the physical environment in a sustainable manner.

3.2 Assessment Objectives

At the end of the teaching/learning of the senior secondary commerce programme, candidates should be able to:

AO1. Knowledge and Understanding

- demonstrate facts, terms, concepts, conventions, principles and techniques in commerce;
- demonstrate appropriate commercial knowledge through numeracy, literacy, presentation and interpretation;
- demonstrate understanding of the key features and purposes of commercial activities
- demonstrate understanding of the main documents used in commerce

AO2. Application

- apply commercial principles and ideas to given commercial situations using appropriate terminology;
- use relevant data and information in written, numeric and diagrammatic form; including simple calculations;
- apply knowledge and understanding of commercial problems and issues;

AO3. Analysis

- select and order data which is relevant to commercial situation;
- identify and select the significant issues in a commercial situation
- present information in an appropriate commercial format;
- analyse written and numerical problems relating to a commercial situation;
- report on objectives, planning and carrying out research on a particular commercial situation;
- organize and present the results of the research appropriately.

AO4. Evaluation

- present reasoned explanations, understand implications and communicate in an accurate and logical manner;
- interpret information in order to make judgments and conclusions relating to commercial situations;
- distinguish between evidence and opinion;
- make reasoned judgements and communicate them in an accurate and logical manner.

3.3 Relationship between Assessment Objectives and Components

The table shows the raw marks and the weighting of each skill area by component as well as the total for each skill area in the overall assessment.

Assessment Objectives	Paper 1 marks	Skill Weighting	Paper 2 marks	Skill Weighting	Paper 3 marks	Skill Weighting	Total Weighting
AO1: Knowledge and Understanding	16 ± 2	8%	44 ± 2	19.80%	18 ± 2	7.88%	35%
AO2: Application	13 ± 2	6.5%	29 ± 2	13.05%	19 ± 2	8.31%	28%
AO3: Analysis	8 ± 2	4%	17 ± 2	7.65%	20 ± 2	8.75%	21%
AO4: Evaluation	3 ± 2	1.5%	10 ± 2	4.5%	23 ± 2	10.06%	16%
Total Marks	40	20%	100	45%	80	35%	100%

4. CONTENT

This section presents the content as prescribed in the Commerce Teaching Syllabus.

MODULE 1: INTRODUCTION TO COMMERCE

UNIT 1.1: NEEDS AND WANTS AND THEIR SATISFACTION

Topic	General Objective	Specific Objective
	Students should be able to:	Students should be able to:
Production and the satisfaction of needs and wants.	1.1.1 understand the meaning of needs and wants	1.1.1.1 explain needs and wants with examples 1.1.1.2 differentiate between needs and wants
	1.1.2 understand the importance of production in the satisfaction of needs and wants	1.1.2.1 explain the meaning of production 1.1.2.2 differentiate between direct and indirect production 1.1.2.3 explain how production helps to satisfy needs and wants 1.1.2.4 describe the chain of production with the help of a diagram 1.1.2.5 explain the stages of production
	1.1.3 understand the importance of specialisation	1.1.3.1 explain the meaning of specialisation and division of labour. 1.1.3.2 describe the relationship between specialisation and trade 1.1.3.3 identify the levels of specialisation with examples 1.1.3.4 discuss the advantages and disadvantages of specialisation
Commerce	1.1.4 understand the importance of the branches of Commerce	1.1.4.1 explain the meaning of Commerce 1.1.4.2 discuss the importance of the branches of Commerce 1.1.4.3 relate Commerce to production

MODULE 2: TRADE**UNIT 2.1: HOME TRADE**

Topic	General Objective	Specific Objective
	Students should be able to:	Students should be able to:
Types of retailers	2.1.1 understand the features of small-scale and large-scale retailers	2.1.1.1 discuss the functions of retailers 2.1.1.2 identify the types of small-scale and large-scale retailers (hawkers, mobile shops, street traders, itinerant traders, market stall holders, independent retailers, supermarkets, multiple shops, variety chains, department stores, mail order businesses, co-operative retail societies, speciality shops) 2.1.1.3 discuss the factors leading to the decline of small retailers 2.1.1.4 account for the survival of the small-scale retailer 2.1.1.5 state the features of each type of large-scale retailers (supermarket, hypermarket, multiple shops, variety chain store, department store, mail order business, co-operatives) 2.1.1.6 explain the advantages and disadvantages of each type of large-scale retailer 2.1.1.7 differentiate between the different types of retailers
Trends (changes) in Retailing	2.1.2 demonstrate an understanding of current developments in retailing	2.1.2.1 identify the main changes that have taken place in the retail trade (branding, packaging, self-service, after-sales service, mail order, shopping malls vending machines, loss leaders, loyalty cards, bar coding etc.) 2.1.2.2 explain the characteristics of each of the new developments in retailing 2.1.2.3 explain the causes of the changes in the retail trade 2.1.2.4 explain the advantages and disadvantages of each of the new developments

Credit Trading	2.1.3 demonstrate an understanding of knowledge and understanding of the operations of the various types of credit trading	<p>2.1.3.1 name the main types of credit trading (hire purchase, deferred payments, simple credit, monthly account, budget account, lay-by)</p> <p>2.1.3.2 describe how each type of credit trading works</p> <p>2.1.3.3 compare hire purchase and deferred payments</p> <p>2.1.3.4 state the advantages and disadvantages of each type of credit trading</p> <p>2.1.3.5 explain the importance of banks and finance companies in hire purchase transactions</p>
Consumer Protection and Customer Relations	2.1.4 demonstrate understanding of how the consumer is protected in Botswana	<p>2.1.4.1 explain the need for consumer protection</p> <p>2.1.4.2 state the rights of the consumer in relation to the market</p> <p>2.1.4.3 explain the various ways by which the consumer can be protected (including help from Botswana Bureau of Standards & Ombudsman)</p> <p>2.1.4.4 examine the purposes of forming consumer associations</p>
Customer Service	2.1.5 explain the importance of customer services offered by retailers	<p>2.1.5.1 identify customer needs which make them buy from a particular seller (information, assistance, care, refund or replacement)</p> <p>2.1.5.2 discuss the features of good customer services that can be offered by the retailer (staff, premises, products, after-sales care, etc.)</p> <p>2.1.5.3 explain the importance of good customer services</p> <p>2.1.5.4 explain how retailers should handle customer's complaints</p>
Types of Wholesalers	2.1.6 demonstrate understanding of the importance of the wholesalers	<p>2.1.6.1 identify the main types of wholesalers (general wholesaler, specialised wholesaler, cash and carry wholesaler, co-operative wholesale society, independent wholesaler)</p> <p>2.1.6.2 discuss the functions performed by the wholesaler</p> <p>2.1.6.3 describe the characteristics of each type of wholesaler</p> <p>2.1.6.4 explain the factors leading to the elimination of the wholesalers</p> <p>2.1.6.5 discuss the implications of the elimination of the wholesaler</p> <p>2.1.6.6 explain the ways by which the wholesaler is surviving in the chain of distribution</p>
Marketing Boards in Botswana	2.1.7 understand the role of marketing boards in the distribution of agricultural products	<p>2.1.7.1 explain the reasons for establishing marketing boards</p> <p>2.1.7.2 state the functions of marketing boards</p> <p>2.1.7.3 explain the operations of the Botswana Agricultural Marketing Board and Botswana Meat Commission</p> <p>2.1.7.4 appraise the activities of marketing boards with reference to Botswana Agricultural Marketing Board and Botswana Meat Commission.</p>

Computers in Trading	2.1.8 understand the importance of computers in trading	2.1.8.1 identify the different ways computers are used in trading 2.1.8.2 describe the importance of computers in trading 2.1.8.3 discuss the growth of e-commerce and online retailing 2.1.8.4 discuss the impact of e-commerce on retail stores, mobile-shopping (m-shopping) and on commercial activity 2.1.8.5 discuss the importance of electronic commerce in retailing
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UNIT 2.2: PURCHASING AND SELLING PROCEDURES

Topic	General Objective	Specific Objective
Simple Contract of Sale	Students should be able to: 2.2.1 understand the importance of the simple sales contract	Students should be able to: 2.2.1.1 explain the meaning of a contract of sale 2.2.1.2 define the terms offer and acceptance in sales contract 2.2.1.3 explain the importance of conditions and warranties in a sales contract 2.2.1.4 differentiate between an actual sale and an agreement to sell 2.2.1.5 determine the points on which agreement must be reached (price, quality, delivery, condition of payment, quantity)
Purchasing Activities	2.2.2 demonstrate understanding of the purchasing activities of a trader	2.2.2.1 identify the sources of supply for a particular product 2.2.2.2 state the processes of choosing a supplier for a particular product (define the need, research the market, adapt the sources to the need, make inquiries to various suppliers, evaluate the responses from suppliers, place an order to a chosen supplier etc.) 2.2.2.3 analyse the factors to be considered in choosing a supplier 2.2.2.4 show the follow-up procedures after the receipt of the order 2.2.2.5 prepare the documents used in buying and selling; (enquiry, catalogue/quotation, order, invoice, advice note, delivery note, credit note, debit note, statement of account, receipt, etc.)

UNIT 2.3: INTERNATIONAL TRADE

Topic	General Objective	Specific Objective
	Students should be able to:	Students should be able to:
The Pattern of Foreign Trade	2.3.1 demonstrate understanding of the pattern of Botswana's foreign trade	2.3.1.1 differentiate between home trade and foreign trade 2.3.1.2 explain why Botswana takes part in international trade 2.3.1.3 state the advantages and disadvantages of foreign trade to Botswana 2.3.1.4 state the characteristics of Botswana's foreign trade 2.3.1.5 define the terms "balance of trade" and "balance of payments" 2.3.1.6 classify the current account items into visible and invisible exports and imports 2.3.1.7 differentiate between current and capital accounts in the balance of payments 2.3.1.8 show how the balance of payments is calculated 2.3.1.9 explain the implications of a favourable or unfavourable balance of payments to Botswana 2.3.1.10 discuss how a country can deal with unfavourable balance of payment 2.3.1.11 explain the importance of the International Monetary Fund and the World Bank 2.3.1.12 discuss the problems faced by Botswana exporters and importers
Procedures and Documents in Foreign Trade	2.3.2 demonstrate an understanding of the procedures in exporting and importing	2.3.2.1 list the middlemen engaged in foreign trade (merchants, brokers, factors, forwarding agents) 2.3.2.2 state the functions of each of the middlemen in foreign trade 2.3.2.3 identify the documents used in foreign trade (bill of lading, indent, certificate of insurance, certificate of origin, consular invoice, airway bill, shipping note etc.) 2.3.2.4 explain the functions of each document in relation to the export or import of merchandise 2.3.2.5 state the importance of each document
Methods of Payment	2.3.3 understand the various ways the importer can pay for the imports	2.3.3.1 state the methods of payment by the importer (bill of exchange, direct payments, letter/documentary of credit, documentary bill, traveller's cheque) 2.3.3.2 explain each method of foreign payment 2.3.3.3 state the advantages and disadvantages of each method 2.3.3.4 show how commercial banks help to facilitate foreign trade

Botswana Government and Foreign Trade	2.3.4 demonstrate an understanding of the various ways Botswana Government may help importers and exporters	2.3.4.1 explain how the government can assist exporters and importers 2.3.4.2 explain the functions and importance of Botswana Export Credit Insurance, Exporters Association of Botswana and Botswana Export Development and Investment Authority (BEDIA)
Customs and Excise Department in Botswana	2.3.5 demonstrate an understanding of the role of the Department of Customs and Excise	2.3.5.1 differentiate between customs and excise duties, ad valorem and specific duties 2.3.5.2 state the advantages and disadvantages of customs duties 2.3.5.3 identify dutiable and non-dutiable goods in Botswana 2.3.5.4 describe the functions of the Department of Customs and Excise
International Trade Agreements	2.3.6 understand the importance of international trade agreements	2.3.6.1 identify the major international organisations designed to reduce trade restrictions (General Agreement on Trade and Tariffs, World Trade Organisation, United Nations Conference on Trade and Development) 2.3.6.2 describe the functions and organisation of Southern Africa Development Community and Southern Africa Customs Union as trading blocs

MODULE 3: BUSINESS ORGANISATION

UNIT 3.1: BUSINESS UNITS

Topic	General Objective	Specific Objective
	Students should be able to:	Students should be able to:
The Public Sector	3.1.1 show knowledge of the commercial activities of the government	3.1.1.1 identify the main business organisations in the public sector 3.1.1.2 explain why the government takes part in economic activities 3.1.1.3 explain the terms 'nationalisation', 'privatization' and commercialization' 3.1.1.4 discuss the advantages and disadvantages of nationalization and privatization 3.1.1.5 explain the main features of a public corporation
The Private Sector Businesses in Botswana	3.1.2 understand the importance of unincorporated business units in the economy of Botswana	3.1.2.1 differentiate between unincorporated and incorporated business units with examples 3.1.2.2 compare the sole proprietorship and partnership on the basis of capital, control, ownership, liability, setting up etc. 3.1.2.3 state the advantages and disadvantages of the sole proprietorship and partnership 3.1.2.4 show the contribution of the sole proprietorship and partnership to Botswana's economy 3.1.2.5 differentiate between limited partnership and general partnership.
	3.1.3 demonstrate an understanding of the features of organisation of the limited liability company	3.1.3.1 explain the term "limited liability"; 3.1.3.2 discuss the importance of limited liability to third parties and the company; 3.1.3.3 state the features of public and private limited companies; 3.1.3.4 differentiate between public and private companies; 3.1.3.5 explain the terms "public" and "private"; 3.1.3.6 show the importance of shareholders and board of directors in the control and management of a company; 3.1.3.7 state the advantages and disadvantages of limited companies; 3.1.3.8 compare the public corporation with the public company.
	3.1.4 acquire knowledge and understanding of the formation of a limited company	3.1.4.1 state the functions of the Memorandum, Articles of Association and Prospectus; 3.1.4.2 describe the part played by the Promoters and the Registrar of Companies in company formation ; 3.1.4.5 explain the importance of the Certificate of Incorporation and Trading Licence.

	3.1.5 demonstrate an understanding of the capital structure of a company	3.1.5.1 identify the types of shares; 3.1.5.2 explain each type of share; 3.1.5.3 differentiate between ordinary shares and preference shares; 3.1.5.4 explain the types of debenture capital; 3.1.5.5 compare shares and debentures; 3.1.5.6 explain the issue of shares to finance the establishment and operations of a company;
Multinational Companies (MNCs)	3.1.6 understand the importance of Multinational Company	3.1.6.1 define a Multinational Company (MNCs) with examples; 3.1.6.2 explain why many developing countries try to attract Multinational Companies; 3.1.6.3 state the advantages and disadvantages of a company becoming a Multinational 3.1.6.4 explain the consequences to the host country of Multinational Companies.
The Stock Exchange	3.1.7 demonstrate an understanding of knowledge on the operation of the stock exchange	3.1.7.1 define what is meant by a stock exchange 3.1.7.2 explain the functions of a stock exchange 3.1.7.3 describe the activities of the stock exchange members 3.1.7.4 describe the structure of the Botswana Stock Exchange 3.1.7.5 discuss the role of the stock exchange 3.1.7.6 explain the causes and consequences of stock market turbulence

UNIT 3.2: HOW TO ESTABLISH A COMMERCIAL ACTIVITY

Topic	General Objective	Specific Objective
	Students should be able to:	Students should be able to:
A feasible commercial idea	3.2.1 explain the processes involved in finding a commercial activity.	3.2.1.1 explain ways of finding commercial ideas (solving a problem, noting a gap in the market, raising customers' standard of living) 3.2.1.2 describe techniques of finding commercial ideas (observation, creativity, modifying ideas, experience, consultation) 3.2.1.3 list the most feasible commercial ideas 3.2.1.4 explain why some businesses fail.
Purchasing a business	3.2.2 demonstrate an understanding of obtaining an existing business	3.2.2.1 explain the processes required in buying an existing business (advice, research, valuation of the net assets and goodwill, assessment of the financial statement of the business, etc.) 3.2.2.2 state the advantages and disadvantages of buying an existing business 3.2.2.3 explain the meaning of franchise 3.2.2.4 explain the advantages and disadvantages of a franchise
Market research	3.2.3 explain the importance of market research for a new commercial activity	3.2.3.1 explain the term market and market research; 3.2.3.2 describe the main methods of market research; (primary/field, secondary/desk etc.) 3.2.3.3 state the information market research is likely to yield; 3.2.3.4 identify the market for the commercial idea or service.
	3.2.4 understand the processes of conducting a market research	3.2.4.1 prepare questionnaires for field research; 3.2.4.2 conduct market research using any method of primary research (questionnaire/survey, interview, observation, experiment) 3.2.4.3 analyse the results of the market research; 3.2.4.4 write a report on the market research.
Business plan	3.2.5 understand the importance of planning to a new business	3.2.5.1 explain why businesses prepare plans; 3.2.5.2 describe the content of a business plan; 3.2.5.3 prepare a business plan (including cash flow, strengths, weaknesses, opportunities, threats analysis and profit forecasts); 3.2.5.4 interpret a business plan.
Business capital	3.2.6 develop an understanding of the importance of capital to the business organisation	3.2.6.1 explain the start-up capital; 3.2.6.2 indicate the importance of the start-up capital to the business; 3.2.6.3 explain the importance of the working capital to the business; 3.2.6.4 explain the implications of a lack of working capital; 3.2.6.5 discuss how to improve the working

		<p>capital.</p> <p>3.2.6.6 discuss the importance of self-financing, e.g. using retained profits, selling assets etc.</p>
Business Finance	3.2.7 understand the sources of long-term and short-term finance	<p>3.2.7.1 explain short-term and long-term finance;</p> <p>3.2.7.2 discuss the sources of long-term (shares – ordinary and preference; debentures; sale and leaseback; long-term loans; grants; mortgage) and short-term (overdraft; trade credit; factoring; hire purchase; leasing) finance in Botswana;</p> <p>3.2.7.3 explain the factors that will assist in the choice of a source of finance.</p> <p>3.2.7.4 describe methods of self-financing (retained earnings, sale of assets, savings)</p> <p>3.2.7.5 evaluate the suitability of choice of finance including (self-financing) in given situation</p>
Keeping the Books	3.2.8 demonstrate an understanding of the importance of keeping simple records of business transactions	<p>3.2.8.1 discuss the importance of record-keeping to a business;</p> <p>3.2.8.2 identify income and expenditure items of a business;</p> <p>3.2.8.3 record income and expenditure separately;</p> <p>3.2.8.4 compare the total monthly income with the total monthly expenditure.</p>
Simple financial statements	3.2.9 understand the importance of preparing simple financial statements	<p>3.2.9.1 discuss the importance of preparing financial statements of a business;</p> <p>3.2.9.2 explain income statement and the statement of financial position;</p> <p>3.2.9.3 identify the items which appear in the income statement;</p> <p>3.2.9.4 explain the cost of sales;</p> <p>3.2.9.5 show how the cost of sales is calculated;</p> <p>3.2.9.6 show the relationship between the items which appear in the income statement;</p> <p>3.2.9.7 identify the items which appear in the statement of financial position;</p> <p>3.2.9.8 describe the structure of the statement of financial position;</p> <p>3.2.9.9 differentiate between non-current assets and current assets;</p> <p>3.2.9.10 identify the main items of current assets and how their changes may affect the working capital;</p> <p>3.2.9.11 show the relationship between the items which appear in the statement of financial position.</p> <p>3.2.9.12 explain and evaluate the methods of improving sales turnover, rate of inventory turnover, profit, and working capital: reducing expenses, increasing mark-up, changing prices, improving marketing, introducing new products in a given situation</p> <p>3.2.9.13 calculate and interpret simple ratios. (profit margin, mark-up, liquidity ratios, rate of inventory turn)</p> <p>3.2.9.14 identify, define and examine the</p>

		importance in commercial situations of fixed and working capital, assets and liabilities, sales turnover, rate of inventory turnover, gross profit and profit for the year)
Social responsibility of the commercial organisation	3.2.10 explain the responsibilities of commercial organisations towards the community they serve	3.2.10.1 discuss various ways of protecting the environment; 3.2.10.2 describe the legislation available to protect the environment against commercial practices in Botswana; 3.2.10.3 describe the role of pressure groups (e.g. Kalahari Conservation, Wildlife Clubs, Green Peace, etc.) in protecting the environment against practices of commercial organisations 3.2.10.4 discuss the sustainable ways of utilizing the resources in the environment by commercial organisations.

MODULE 4: AIDS TO TRADE

UNIT 4.1: FINANCE AND BANKING

Topic	General Objective	Specific Objective
	Students should be able to:	Students should be able to:
Methods of payments in Botswana	4.1.1 assess the various methods of payment in Botswana	4.1.1.1 identify the methods of payments in Botswana; 4.1.1.2 explain the development of cashless society 4.1.1.3 evaluate the use of cash in making payments in Botswana.
Central bank	4.1.2 understand the importance of Central Bank;	4.1.2.1 define the Central bank; 4.1.2.2 explain the functions of the Bank of Botswana.
Commercial Banks	4.1.3 develop understanding of the functions of Commercial Banks	4.1.3.1 explain the functions of commercial banks (safe keeping of money, making and receiving payments, lending, etc.); 4.1.3.2 describe the various types of accounts offered by the Commercial banks (deposit, savings, current); 4.1.3.3 explain the importance of savings to the individual and the country; 4.1.3.4 describe the various methods of making payments on behalf of customers (cheques, bank giro, standing orders, direct debit, remittances, debit card etc.) ; 4.1.3.5 evaluate the various methods of making payments; 4.1.3.6 describe the uses of electronic banking (online banking, Automatic Teller Machines (ATMs) 4.1.3.7 differentiate between a bank loan and overdraft;

		<p>4.1.3.8 complete a loan application form;</p> <p>4.1.3.9 state the factors considered by the bank before granting a loan;</p> <p>4.1.3.10 discuss the use of computers in banking. e.g. new trends in banking, internet/online banking and mobile banking via smartphones.</p>
Other financial institutions	4.1.4 explain the importance of other financial institutions	<p>4.1.4.1 identify other financial institutions in Botswana (savings bank, building society, finance companies, merchant banks, development banks, etc.);</p> <p>4.1.4.2 state the functions of each of these financial institutions.</p>
The Cheque System	4.1.5 understand the operation of the cheque system	<p>4.1.5.1 differentiate between open and crossed; bearer and order cheques;</p> <p>4.1.5.2 explain the implications of the various ways of crossing a cheque;</p> <p>4.1.5.3 explain the endorsement of a cheque;</p> <p>4.1.5.4 explain why a cheque may be dishonoured.</p>
The Clearing System	4.1.6 explain the process of clearing cheques in Botswana	<p>4.1.6.1 identify the three processes of clearing cheques (local clearing, head office clearing, inter-bank clearing)</p> <p>4.1.6.2 describe the clearing of cheques at the local bank, between branches of the same bank and between different banks;</p> <p>4.1.6.3 explain the importance of the bankers' clearing house in the inter-bank cheque clearing system.</p>

UNIT 4.2: INSURANCE

Topic	General Objective	Specific Objective
	Students should be able to:	Students should be able to:
Purposes of insurance	4.2.1 understand the business risks that can be insured	<p>4.2.1.1 define insurance;</p> <p>4.2.1.2 explain the nature and importance of insurance;</p> <p>4.2.1.3 differentiate between insurable and non-insurable risks;</p> <p>4.2.1.4 explain the importance of statistics and other information in calculating risks and premiums.</p>
Principles of Insurance	4.2.2 demonstrate knowledge and understanding of the principles of insurance	<p>4.2.2.1 explain insurable interest, utmost good faith, indemnity (contribution, subrogation & average clause) and proximate cause;</p> <p>4.2.2.2 identify various situations a person cannot insure a property for lack of insurable interest;</p> <p>4.2.2.3 explain the importance of utmost good faith in completing the insurance proposal form and when dealing with a claim;</p> <p>4.2.2.4 explain the consequences of over insurance and under insurance in relation to the principle of indemnity;</p>

		4.2.2.5 calculate the indemnity payable given a loss resulting from an insured risk.
Types of risks	4.2.3 demonstrate knowledge and understanding of different types of general insurance	4.2.3.1 list the main types of general insurance (fire, marine, aviation, accident); 4.2.3.2 describe the types of fire insurance (private and business properties); 4.2.3.3 describe the main types of accident or special casualty insurance (insurance of liability: employer's liability, public liability, professional indemnity, insurance of property, cash in transit, consequential loss/business interruption, personal accident, insurance of interest, motor vehicle insurance).
	4.2.4 demonstrate knowledge and understanding of different types of life assurance	4.2.4.1 differentiate between insurance and assurance; 4.2.4.2 describe the main types of life assurance (whole life, term, endowment, family income, mortgage security, educational, group life).
Procedures for buying insurance and making claims	4.2.5 demonstrate knowledge and understanding of the procedures for buying insurance and making claims	4.2.5.1 explain the functions of insurance agents, actuaries, assessors, brokers and underwriters 4.2.5.2 compare the work of agents and brokers 4.2.5.3 describe the functions of the main documents used in obtaining insurance (proposal form, cover note, policy) and in making claims (claim form, police report etc.) 4.2.5.4 explain the process of buying insurance 4.2.5.5 explain the process of making a claim

UNIT 4.3: ADVERTISING

Topic	General Objective	Specific Objective
	Students should be able to:	Students should be able to:
The importance of advertising	4.3.1 demonstrate knowledge and understanding of the importance of various types of advertising	4.3.1.1 state the purpose of advertising 4.3.1.2 describe the main types of advertising (collective/generic, competitive, persuasive, informative) and of the methods of appeal (emotions, colour, cultural acceptance, ambition and hero worship, gender, image); 4.3.1.3 explain the advantages and disadvantages of advertising
Advertising media	4.3.2 develop knowledge and understanding of the various media of advertising	4.3.2.1 state the main media of advertising 4.3.2.2 state the advantages and disadvantages of each of the advertising media 4.3.2.3 explain the factors which affect the choice of advertising medium 4.3.2.4 relate advertising to branding and pre-packaging

		4.3.2.5 explain the factors to consider in designing an advertisement 4.3.2.6 design an advertisement
Advertising Agencies	4.3.3 demonstrate understanding of the functions and organisation of advertising agencies	4.3.3.1 explain why a producer may rely on an advertising agency for advertising 4.3.3.2 describe the functions of the advertising agency 4.3.3.3 describe the Code of Advertising Practice

UNIT 4.4: WAREHOUSING

Topic	General Objective	Specific Objective
	Students should be able to:	Students should be able to:
Importance and Types of Warehousing	4.4.1 explain the importance of warehousing	4.4.1.1 explain the meaning of warehousing 4.4.1.2 state the importance of warehousing 4.4.1.3 discuss the functions of a warehouse
	4.4.2 demonstrate knowledge of different types warehousing	4.4.2.1 list the types of warehouses (manufacturer's warehouse, cash and carry, warehouse for large-scale retailers, silo, cold store, bonded warehouse); 4.4.2.2 explain the uses of each type of warehouse - including bonded warehouse and cold storage

UNIT 4.5: COMMUNICATION

Topic	General Objective	Specific Objective
	Students should be able to:	Students should be able to:
Communication in business	4.5.1 demonstrate knowledge of different types of communication	4.5.1.1 explain the meaning of communication 4.5.1.2 determine the benefit of fast and accurate transmission of information to a commercial activity; 4.5.1.3 discuss the postal and payment facilities provided by the post office 4.5.1.4 discuss the facilities provided by the telecommunication and other related institutions 4.5.1.5 describe the uses of telecommunication and computers in the transmission of information (e-mail, intranet, internet, social media, smartphones, tablet) 4.5.1.6 discuss the importance of electronic communication in commerce; 4.5.1.7 outline the factors that affect the choice of communication methods

UNIT 4.6: TRANSPORT

Topic	General Objective	Specific Objective
	Students should be able to:	Students should be able to:
Transport Systems	4.6.1 explain the importance of transport and the factors that influence the choice of a transport system	4.6.1.1 explain the importance of transport to an economy 4.6.1.2 identify the transport systems used in home and foreign trade 4.6.1.3 explain the factors affecting the choice of transport
Road Transport in Botswana	4.6.2 understand the nature of road transport system	4.6.2.1 state the advantages and disadvantages of road transport 4.6.2.2 identify new developments in road transport (the development of logistics, the importance of freight forwarders, courier companies, toll roads) 4.6.2.3 discuss the importance of new trends in road transport 4.6.2.4 explain the effects of the changes in road transport on the economy of Botswana
Rail Transport in Botswana	4.6.3 understand the nature, importance and new trends in rail transport	4.6.3.1 list the advantages and disadvantages of rail transport 4.6.3.2 identify the new trends in rail transport 4.6.3.3 discuss the importance of new trends in rail transport 4.6.3.4 discuss the effects of new developments in rail transport on the economy
Air Transport	4.6.4 demonstrate knowledge and understanding of the nature, importance and new developments in air transport	4.6.4.1 state the advantages and disadvantages of air transport 4.6.4.2 identify the new trends in air transport 4.6.4.3 discuss the importance of the new trends in air transport (growth of air freight, low cost airlines) 4.6.4.4 show the effects of new developments in air transport on commercial activities
Water Transport	4.6.5 develop knowledge and understanding of the nature of water transport and its benefit	4.6.5.1 identify the types of water transport 4.6.5.2 state the disadvantages and disadvantages of each type of water transport
Pipelines	4.6.6 develop knowledge and understanding of transport by pipelines	4.6.6.1 describe the nature of pipelines 4.6.6.2 state the advantages and disadvantages of pipelines
Containerisation	4.6.7 develop knowledge and understanding of containerisation	4.6.7.1 explain containerisation in the transport of cargo 4.6.7.2 list the advantages and disadvantages of containerisation

		4.6.7.3 discuss the uses of mechanised cargo handling
Ports and airports	4.6.8 demonstrate knowledge and appreciate the importance of ports and airports	4.6.8.1 identify the types of ports and airports 4.6.8.2 outline the main functions of ports and airports (sea, air, dry ports) 4.6.8.3 identify the services offered at airports for both passengers and freight 4.6.8.4 discuss the advantages and disadvantages of the services offered at airports for both passengers and freight 4.6.8.5 discuss the importance of the Department of Civil Aviation

5. OTHER INFORMATION

5.1 GRADING AND REPORTING

BGCSE results are reported on a scale of A* – G, A* being the highest and G the lowest. Ungraded (U) indicates that the candidate's performance fell short of the standard required for grade G. Ungraded (U) will be reported on the statement of results but not on the certificate. The letters Q (result pending) and X (no result) may also appear on the statement of results.

5.2 GRADE DESCRIPTORS

As a guide to what might be expected of a candidate, Grade Descriptors are given as follows.

Grade A

To achieve an A grade, a candidate has to demonstrate the following:

- An excellent ability to identify detailed facts, principles and techniques in relation to the content of the syllabus;
- A thorough ability to define and explain the main principles and themes of the syllabus;
- An excellent ability to classify, interpret and comment on information presented in various forms;
- An excellent ability to select, and use appropriate data in an orderly manner;
- A thorough ability to interpret and evaluate commercial information and draw reasoned conclusions and make excellent decisions.

Grade C

To achieve a C grade, a candidate has to demonstrate the following:

- A sound ability to identify facts, principles and techniques in relation to the content of the syllabus;
- A good ability to use and comment on information presented in a non-verbal manner;
- A sound ability to define the main principles and themes of the syllabus;
- A sound ability to select and use appropriate data;
- An ability to interpret and evaluate commercial information and draw reasoned conclusions.

Grade E

To achieve an E Grade, a candidate has to demonstrate the following abilities:

- Some ability to identify specific facts, principles or techniques in relation to the content of the syllabus;
- Some familiarity with definitions of the central principles of the syllabus;
- Some ability to classify and present data in a simple way and some ability to select and organise relevant information from a set of data;
- Some ability to select and use appropriate data;
- A rudimentary ability to gather information relating to a particular topic, present it in an ordered manner and draw some basic conclusions.

6. Appendices

Appendix A

Glossary of Terms of cognitive domain

A larger percentage of the marks are structured in such a way that candidates will recall what they have learnt; or what they are expected to know.

The following words have been explained to help to understand the expected outcome from candidates if they are used as a command word for an examination question.

Knowledge

Recall or recognise information, for example recall a process, rules, definitions; quote law or procedure

Words to be used under knowledge will include: *arrange, define, describe, label, list, relate, reproduce, state.*

Understanding/Comprehension

Understanding means re-state data in one's own words, interpret, extrapolate, and translate. Eg explain or interpret meaning from a given scenario or statement, suggest treatment, reaction or solution to a given problem, create examples or metaphors

Words to be used under Understanding/Comprehension will include: *explain, classify, summarise, illustrate, review, estimate, interpret, etc.*

Application

Use or apply knowledge, put theory into practice, use knowledge in response to real circumstances.

Words to be used under application will include: *use, apply, solve, produce, implement, construct, prepare, conduct, etc.*

Analysis

Interpret elements, organizational principles, structure, construction, internal relationships; quality, reliability. E.g. identify constituent parts and functions of a process or concept, or de-construct a methodology or process, making qualitative assessment of elements, relationships, values and effects; measure requirements or needs.

Words to be used under analysis will include: *analyse, select, break down, compare, measure, examine, relate, graph, diagram, plot, show, differentiate, classify and divide.*

Evaluation

Judge from available evidence the value, efficacy, viability; critical thinking of a commercial situation. judgement relating to external criteria. Provide recommendations and justifications.

Words to be used under evaluation will include: *review, justify, assess, present a case for, investigate, direct, argue.*

Command words used to write the questions for examination papers may include:

Account for

Explain the reasons for, giving an indication of all relevant circumstances.

Analyse

Study in depth, reconstruct in a more useful form. To take apart or break down the whole into its component parts and functions of a process or consider in detail the component parts or features of the whole. Identify and describe in detail the main parts or characteristics of something or de-construct a methodology or process, making qualitative assessment of elements, relationships, values and effects; measure requirements or needs.

Assess

Examine closely, with a view to measuring or 'weighing up' a particular situation. Weigh up several sides of an argument. Consider in a balanced way: strengths and weaknesses, points for and against. In conclusion, state your judgment clearly.

Calculate

Work out the value, by manipulating numbers. In general, working should be shown when two or more steps are involved. This is a general term that may be interpreted as measure, or determine.

Classify

To arrange or organize according to class or category

Comment

State clearly and in a moderate fashion your opinion on the material in question. Support your views with references to suitable evidence, examples or explanation as appropriate.

Compare

Look for qualities and characteristics which resemble each other. Identify similarities and/or points of differences.

Contrast

Stress the similarities and differences between the items in question, but do not ignore points of similarity.

Criticise

Express and justify balanced judgment about the merit or truth of the material in question. Give the results of your scrutiny, establishing both strengths and weaknesses. Be specific

Determine

This often implies that the quantity concerned cannot be measured directly but is obtained by calculation or substituting measured or known values of other quantities into a standard formula.

Define

Give concise, clear and authoritative meanings. Do not give too many details, but be sure to state the limitations of the definition. Show how the thing that you are defining differs from things in other categories. It is intended literally, only a formal statement or equivalent paraphrases being required.

Describe

Give the main characteristics or features of the matter in question, or relate in sequence form.

Discuss

Examine and analyse carefully, giving reasons for and against and the advantages and disadvantages of the factors being considered. Be complete and give details.

You must consider all sides of the issue and reach a balanced conclusion with your reasons. Give a critical account of points involved in a topic. A balanced argument, judge, state opinion

Differentiate

Show the distinctive features, attributes, or traits; sometimes in a very positive sense or perceive the difference in or between

Distinguish

Show how one thing differs from another by using certain characteristics, such as the income effect and how it differs between normal, inferior and Giffen goods.

Do you agree with?

Discuss both sides of the stated proposition and give your opinion, with reasons, on one side or the other, but consider both sides of the proposition.

Evaluate

Carefully appraise the matter in hand, citing both advantages and limitations. Emphasizes the views of authorities as well as your personal opinion – to put value on something, to assess its worth or to analyse and assess the role or function of something.

Explain

Clarify, interpret and spell out the material you present. Give reasons for important features or developments and try to analyse causes or say how it works.

To make sense of something: to provide reasons for something being or happening in a particular way or to give a causal account of something. Use an example

Examine

To study something closely or in depth to assess

Find

It may be interpreted as calculate, measure, or determine.

How far

You are expected to make your case or present your material in a logical sequence, while remaining aware of the possible need to introduce contradictory or counterbalancing evidence. You will need to give your opinion and assessment of the issue.

Identify

To find, locate or recognise, to establish, or to say what it is

Illustrate

Use specific examples, figures or diagrams to explain demonstrate or clarify a problem, situation or view. Be sure to include diagrams if they are specifically asked for.

Interpret

Use specific examples, figures or diagrams to explain demonstrate or clarify a problem, situation or view. Be sure to include diagrams if they are specifically asked for.

Justify

Make out a case, prove or give reasons for decisions, statements or conclusions, taking care to be convincing: to show that something is correct, appropriate and reasonable.

List

Write an itemized series of words, phrases or concise statements without explanation.

Outline

Brief description with main points: provide a framework description of main points and subordinate points, omitting minor detail and stressing the arrangement or classification of the material.

Prepare

To make ready or suitable in advance for a particular purpose or for some use, event or an activity or to work out the details of or to put together, or make by combining various elements or parts; manufacture or compound: compose or construct.

Relate

Show how things are connected to each other, or how one causes another or is like another.

Review

Examine a subject critically, analysing and commenting on the: important points and stages of development.

State/name

Express in clear terms or present the main points or definition in brief clear sequence with little or no supporting argument.

Suggest

Used in two contexts either to imply that there is no unique answer or to imply that candidates are expected to apply their general knowledge to something not formally in the syllabus.

Show

To explain something to someone, by doing it or by giving instructions or example to make it possible for something to be seen; or to record or express a number or measurement to prove something; or make the truth or existence of something known; or to express ideas or feelings using actions or words to make someone understand something by directing their attention to it.

What is meant by?

It implies that a definition should be given together with some relevant comment on the significance or context of the term concerned, especially when two or more terms are included in the question.

APPENDIX B

Tables, Graphs, Quantitative Skills and Conventions

Tables

The column of a table will be headed or titled and the appropriate unit needed would be added. E.g. Pounds, Pula, grams, etc.

Negative money values will be in bracket eg. (P5000) or (\$200).

Graphs

A graph is the diagrammatic presentation of data. It may have one or several curves plotted on it. Points on the curve would be clearly marked as a cross (**X**) or encircled dots (**0**). If a further curve is included, vertical crosses (+) may be used to mark the points. The independent variable will be plotted on the **X-axis** (horizontal axis) and the dependent variable plotted on the **Y-axis** (vertical axis).

Quantitative Skills

Candidates will be required to perform some quantitative operations, including calculations. They should be able to use scientific calculators. The mathematical requirements, which form part of this syllabus, are listed below.

Add, subtract, multiply and divide number; use simple formulae; understand and use averages; read, interpret and draw simple references from tables and statements.

Find percentages of quantities; construct and interpret; financial statements. Calculate with simple fractions, decimals, percentage or ratios; manipulate and solve simple equations; interpret and use tables and graph.

Concepts and conventions

The syllabus and question papers will conform to generally acceptable international concepts and conventions.

APPENDIX C

International Standards – Terminology

The list below is to help Centres become familiar with international accounting terminologies which Botswana Examinations Council (BEC) uses in the Commerce syllabus. Well-known standards, which are relevant to the level of study, will be included in question papers, mark schemes and associated documents.

It is recommended that Centres use this terminology in their teaching and learning materials, however, candidates will not lose marks for using different terms.

International usage	Previous BEC/Botswana usage
Statement of financial position (balance sheet)	Balance sheet
Bank (and other) loans Interest bearing loans and borrowing	Loans repayable after 12 months
Bank overdrafts and loans Interest bearing loans and borrowing	Loans repayable within 12 months
Capital or equity/shareholders' equity	Capital
Cash (and cash equivalents)	Bank and cash
Cost of sales	Cost of goods sold
Current assets	Current assets
Current liabilities	Current liabilities Creditors: amounts due within 12 months
Finance costs	Interest payable
Finance income/investment revenues	Interest receivable
Financial statements	Final accounts
Gross profit	Gross profit
Income statement	Trading and profit & loss account
Intangible assets	Goodwill, etc.
Inventory/inventories (of raw materials and finished goods)	Stock
Investment property	Investments
Non-current assets	Fixed assets
Non-current liabilities	Long-term liabilities Creditors: amounts falling due after more than one year
Other operating expenses	Sundry expenses (administration and distribution)
Other operating income	Sundry income
Other payables	

	Accruals
Other receivables	Prepayments
Plant and equipment	Plant and equipment
Profit (before tax) for the year	Net Profit
Property	Land and buildings
Raw materials Ordinary goods purchased	Purchases
Revenue	Sales
Share capital	Share capital
Trade payables	Creditors
Trade receivables	Debtors
Work in progress	Work in progress