



Year 11 - 12 Bridging the Gap

GCSE → A Level

A Level Business

Summer 2021





Course Breakdown – 100% Examination – 3 Equal Papers

Year 1

Autumn term 1	<p>What is business? Understanding the nature and purpose of business</p> <p>Understanding different business forms</p> <p>Understanding that businesses operate within an external environment</p>
Autumn term 2	<p>Managers, leadership and decision making Understanding management, leadership and decision making</p> <p>Understanding management decision making</p> <p>Understanding the role and importance of stakeholders</p>
Spring term 1	<p>Decision making to improve marketing performance Setting marketing objectives</p> <p>Understanding markets and customers</p> <p>Making marketing decisions: segmentation, targeting, positioning</p> <p>Making marketing decisions: using the marketing mix</p>
Spring term 2	<p>Decision making to improve operational performance Setting operational objectives</p> <p>Analysing operational performance</p> <p>Making operational decisions to improve performance: increasing efficiency and productivity</p> <p>Making operational decisions to improve performance: improving quality</p> <p>Making operational decisions to improve performance: managing inventory and supply chains</p>
Summer term 1	<p>Decision making to improve financial performance Setting financial objectives</p> <p>Analysing financial performance</p> <p>Making financial decisions: sources of finance</p> <p>Making financial decisions: improving cash flow and profits</p>
Summer term 2	<p>Decision making to improve human resource performance Setting human resource objectives</p> <p>Analysing human resource performance</p> <p>Making human resource decisions: improving organisational design and managing the human resource flow</p> <p>Making human resource decisions: improving motivation and engagement</p> <p>Making human resource decisions: improving employer-employee relations</p>



Year 2

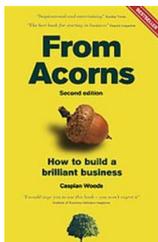
Autumn term 1	Analysing the strategic position of a business Mission, corporate objectives and strategy Analysing the existing internal position of a business to assess strengths and weaknesses: financial ratio analysis Analysing the existing internal position of a business to assess strengths and weaknesses: overall performance Analysing the external environment to assess opportunities and threats: political and legal change Analysing the external environment to assess opportunities and threats: economic change Analysing the external environment to assess opportunities and threats: social and technological Analysing the external environment to assess opportunities and threats: the competitive environment Analysing strategic options: investment appraisal
Autumn term 2	Choosing the strategic direction Strategic direction: choosing which markets to compete in and what products to offer Strategic positioning: choosing how to compete
Spring term 1	Strategic methods: how to pursue strategies Assessing a change in scale Assessing innovation Assessing internationalisation Assessing greater use of digital technology
Spring term 2	Managing strategic change Managing change Managing organisational culture Managing strategic implementation Problems with strategy and why strategies fail
Summer term 1	Revision
Summer term 2	Revision



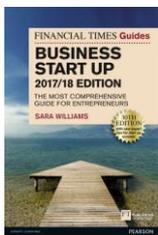
Recommended Reading



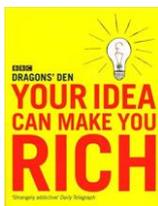
The Entrepreneur's Book of Checklists: 1000 Tips to Help You Start and Grow Your Business (Robert Ashton)



From Acorns (Caspian Woods)



The "Financial Times" Guide to Business Start Up (Sara Williams)



Your Idea Can Make You Rich- Evan Davies



Scholarly Articles

Akyildirim, E., Corbet, S., Sensoy, A., Yarovaya, L. (2020). The Impact of Blockchain Related Name Changes on Corporate Performance. *Journal of Corporate Finance*.

Ahmed, W., Najmi, A., Kusi-Sarpong, S., Khan, S. A., Khushal, A., & Quartey, J. (Accepted/In press). A framework for measuring customer loyalty in 3PL industry: A case of evolving market. *Benchmarking: An International Journal*.

Corbet, S., Lucey, B., Urquhart, A., Yarovaya L. (2019). Cryptocurrencies as a financial asset: A systematic analysis. *International Review of Financial Analysis*, 62, 182-199.

Youtube Clips

[Why Blockchain Matters More Than You Think - Jack Ma, Bill Gates, Elon Musk, Vitalik | Simplilearn - YouTube](#)

[How Peter Jones closes a deal and what happens after the den? - BBC - YouTube](#)

[The social responsibility of business | Alex Edmans | TEDxLondonBusinessSchool - YouTube](#)

[What it takes to be a great leader | Roselinde Torres - YouTube](#)

[Bill Gates Warns The "Next Pandemic" Is Coming After Covid-19 - And How To Stop It | MSNBC - YouTube](#)

[My Lush life: Greg Pinch, Ethical Buyer - YouTube](#)

[How dangerous is Big Tech? | DW Analysis - YouTube](#)

Channels

[tutor2u - YouTube](#)

[Mr Evans Business - YouTube](#)

[Young Enterprise UK - YouTube](#)

The following tasks are designed to best prepare you for A Level study – enjoy researching the topics covered and working independently on the tasks listed.

TASK 1

This first section is recapping your very basic business knowledge.

Define the following keywords:

Goods

Services

Products

Consumers

Customers

Entrepreneurs

Profit

Enterprise

Social enterprise

Entrepreneurship

Opportunity cost

Interest

Interest rates

Inflation

Gross domestic product-GDP

Exchange rates

The purpose of business

A business is an organisation that produces and supplies goods (for example, computers or furniture) or services (for example, hairdressers and dentists). Goods and services are sometimes called products. Businesses use a range of resources, including people, raw materials, fuel, buildings and machinery/technology, to supply goods and services.

The people who use products are called consumers, while those who pay for them are customers. These may be different people – for example, you might buy a present for a friend. Customers need some products, such as items like food or clothing, and want others, for example, luxury items such as jewellery or entertainment.



Only those businesses that are successful in meeting the needs and wants of their customers will survive and grow.

Reasons for starting a business

People who set up their own business are called entrepreneurs. They spot business opportunities and take financial risks to start their own business. The business they start might aim to make a profit, or it might be set up with the primary aim of helping society - this type of business is known as a social enterprise. Entrepreneurs are often determined, motivated and committed. People with the skills to be an entrepreneur are often said to show entrepreneurship. Entrepreneurs are looked at in more detail later in this unit.

People decide to become entrepreneurs for many reasons:

- They have an idea, interest or hobby which they want to turn into a business.
- They have spotted a business opportunity or gap in the market (e.g. a need for a low-price café in a small town) and want to respond to it.
- They like the idea of being their own boss and not being answerable to other people at work.
- They want to make more money than they are able to as an employee in another business. They will keep the profits of the business they establish.
- They may want to be able to fit their working lives around other commitments, such as caring for elderly relatives.
- They may be unhappy in their current job or may have been made redundant or have retired.



Common Misconceptions

Do not always assume that entrepreneurs start a business to make money. Many start for other reasons, such as those described.

TASK 2

Check Your Understanding

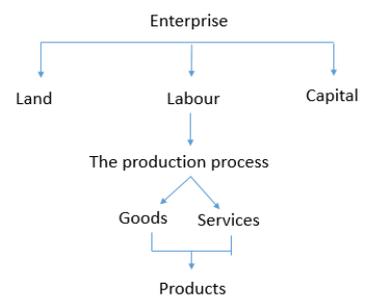
- 1 Using examples, explain the difference between a customer, a consumer and an entrepreneur.
- 2 Explain three reasons why people start a business, apart from the desire to make money.

Factors of production

The resources (or materials) that a business uses to manufacture or produce its goods or services are known as the factors of production. There are four main factors:

- Land - this refers to all natural resources used in production, including the physical land itself and the site on which the business is located, as well as plants and mineral products such as oil.
- Labour includes all inputs into production by humans, whether physical or mental.
- Capital refers to man-made resources used in production such as buildings, machinery and vehicles.
- Enterprise is the final factor and refers to the skills of the people establishing and managing the business's resources to meet the needs of customers.

RESOURCES



Resources and production

Common Misconceptions

Capital can also refer to money used to start up or expand a business. Make sure that you do not confuse this term with the alternative use which refers to man-made resources used in production!

TASK 3

Check Your Understanding

Classify the following items according to whether they are land, labour, or capital:

- | | |
|-------------------------|----------------------------------|
| • Wheat used by a baker | • Software programmer |
| • Head chef | • Water from a well |
| • Nurse | • Orchard owned by a cider maker |
| • Delivery van | • Doctor's computer |
| • Company website | • Company's building |

Opportunity cost

Most decisions that we make have a cost in terms of what we have to give up as a consequence of making that decision. Your decision to take GCSE Business meant that you could not take an alternative subject. Similarly, businesses incur an opportunity cost when making decisions. For example, if a business used its savings to build a new factory, it will lose the interest that may have been paid on those savings by its bank.

The characteristics of entrepreneurs



Entrepreneurs come in all shapes and sizes, but most possess the following characteristics:

Willingness to take risks. Some entrepreneurs risk their home and their savings and give up a good job to start their own business. The financial rewards can be great, but so are the risks. In the UK, only 40 per cent of the start-up businesses survive for five years.

Hardworking and committed. Setting up a new business is hard given up as a consequence work and there will inevitably be setbacks along the way. Entrepreneurs must work hard, have a desire to succeed and be resilient.

Innovative. An entrepreneur has to have good ideas and to be able to turn these into successful products that people want. Skilled entrepreneurs are able to identify consumers' needs that are not being met by existing businesses and design products to meet those needs at an acceptable price.

Organised. An entrepreneur should be able to manage their business efficiently by, for example, making effective use of their time and other resources that are available.

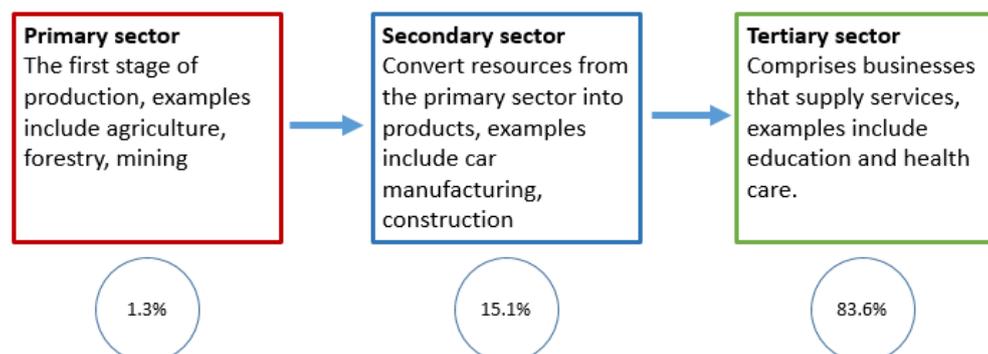
TASK 4

Now Test Yourself

Think of the people you know and decide who might make a good entrepreneur. Describe the characteristics that they possess that make you think they would be successful in this role.

Types of business and their basic functions

Businesses can be classified in many ways, but it is common to divide them into primary, secondary and tertiary sectors, as shown below. The tertiary sector is easily the largest sector in the UK economy and the value of its output has grown quickly over the last 50 years.



Percentage of UK workforce employed in each sector in 2016

TASK 5

Check Your Understanding

1. Explain, using examples, the difference between the operations function and the marketing function of a business.
2. Describe the four internal functions of Nissan, one of the largest car manufacturers in the UK.

Functions of a business

Businesses are often considered to have four internal functions which work together to supply goods and services.

- Operations. This involves producing a good or service. An airline must fly passengers to their destinations while an oil company will extract crude oil and refine it for sale to its customers.
- Marketing. A business will only succeed if it understands what its customers want and supplies them with these products. Marketing involves researching customers' needs, designing suitable products, informing customers about them, setting suitable prices and making the products available to customers.
- Human resources. All businesses employ people. Managing these people so they are as effective as possible is an important part of a successful business.
- Finance. Businesses depend on money. They have to raise it to start trading or to expand the business and must have enough to pay debts as they become due. A successful business will also make a profit at the end of a trading period.



The dynamic nature of business

The business environment refers to the external factors which can affect a business. The following elements of the business environment can have significant effects on businesses:

- Technological change. Technology has led to many new products, such as drones and social media websites. It has also led to new methods of production, such as robots moving goods in warehouses.
- Economic change. Economic factors that affect businesses include:
 - interest rates – affect the cost of borrowing money
 - exchange rates - influence the price of goods sold or bought from overseas
 - inflation - the rate at which prices increase
 - gross domestic product (GDP) – the value of all incomes earned in an economy.
- Legal change. Businesses must comply with a wide range of laws and regulations which change frequently. These can affect the products that they sell (products must be safe, for example) and the ways in which they are produced, for example, providing a safe and healthy working environment for employees.

- Environmental expectations. An increasingly important influence on businesses' decisions. Businesses are under pressure to produce goods and service without damaging the environment. They might, for instance, use sustainable supplies and renewable sources of energy, or reduce waste products as far as possible.

TASK 6



Rafael Rajhoy is a keen cook and, having been made redundant from his job, has plans to open a restaurant rather than finding another job. He has developed a number of new meals which have been popular with his friends and often works late at night designing new recipes. His wife describes him as: 'organised, creative and very dedicated', but also someone who worries a lot about money.

Rafael has £145,000 savings to invest in his business but will need a large loan of £215,000 from his bank to raise the rest of the money he needs to buy a suitable property and equip as a restaurant. He is a little worried as interest rates are forecast to increase substantially in the near

future and he is concerned that he may not attract enough diners - especially in the first few months of trading. Rafael is also concerned about losing his home if the business fails.

1. What is meant by the term opportunity cost? (1 mark)
2. Explain two types of resources that Rafael will need to start his business. (4 marks)
3. Analyse how the forecast rise in interest rates might affect Rafael's plan to start his business. (6 marks)
4. Analyse the arguments for and against Rafael being a good entrepreneur. Evaluate whether Rafael will make a good entrepreneur. Use evidence to support your case. (12 marks)

This next section is getting you ready to study A level business.

The expectations

Business is a subject that continues to change, it is a forward looking subject. It is a subject that requires writing in context. You cannot rely only on your textbook. To be successful you will need to show:

1. Awareness of business in the real world via media news sources
2. An ability to conduct independent research
3. Show logical chains of argument. Do not jump steps, link them in your answers



TASK 7

Find articles on a newsite online (try bbc news/companies or Reuters) about a well-known business as well as visiting their company website to gain further information. Prepare a short summary (one page of A4 – font size 11 point) of the business detailing the current story about their activities.



It is impossible to know what companies will be examined in your assessments. However, some of the big multinationals will provide you with enough evidence to cover all the aspects of business in your course. Become familiar with these companies, they will help you contextualise your answers, you may wish to group certain types together when you present your findings. You need to find out the 'ownership' types of the companies shown below: -



TASK 8

The style of writing at A Level is a development of the writing style needed at GCSE. The main requirements across the exam boards are:

- 1) Knowledge (know your definitions)
- 2) Application (this is a big one for context of the case studies and extracts)
- 3) Analysis (show logical thinking and arguments, consider why you raised the point)
- 4) Evaluation (bringing it all together, forming a judgement and answering the question)

Writing styles

Tutor2u: Tutor2u recommend a style of writing called PeCAN PiE, you can watch a video on this here:
<https://www.tutor2u.net/business/reference/effective-paragraph-technique-pecan-pie>

Writing style examples

The following is a made-up question and two short example answers. See if you can tell where balance and context are applied.

Q. Boeing manufacture some of the world's largest passenger airplanes. Management are currently looking to reduce costs by purchasing cheaper engines and materials to manufacture the planes. Assess the impact of this strategy on Boeing.

Example one

If they decide to buy cheaper things for making their products this will mean the company is spending less and their costs will be lower. This will be a good thing as their profits will increase which will make shareholders happy.

Example two

If Boeing decide to purchase cheaper engines and materials for their planes, this will result in a lowering of their manufacturing costs which may make them more attractive than main rivals Airbus. This could result in more orders from British Airways or Virgin Atlantic. However, using cheaper engines and parts could have disastrous effects for Boeing. If an accident occurred and it was the fault of Boeing and cheaper parts/manufacturing, then Boeing's brand image would be significantly damaged resulting in long term consequences for the firm.

Write a paragraph to explain where you found context and balance evident. Following this write a second paragraph on the current situation with Boeing in today's economy and link this to the question posed.

TASK 9

Choose any company that you are interested in. Create a fact file on the company. The fact file should not be longer than two pages of A4 or 10 presentation slides. You can do a mix of both if you wish. Make sure you include these key points listed below: -

- Who they are and what they do
- Key financial information on them
- Their ownership type
- Recent news articles on the company over the past 12 months
- Their plans for the future (pick out two elements from their annual report)
- Their two major competitors and why

Enjoy your summer but also prepare for the exciting move to A Levels. Most of all embrace business, as a diverse subject that isn't always about making the most revenue and profit (although that is a pretty good answer for most of the questions....

Business is all around you, in everyday life, watch the news, Dragon's Den styled programmes, check out articles on websites. The more you do this the more familiar you will be with the language of Business and how companies operate.

Looking forward to collaborating in the world of business when we meet in September. Ms L

