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| Content coverage | Learning outcomes | NOTES/ QUESTIONS/ FORMULA / ADVANATAGES /DISADVANATAGES BUSINESS: THEME 1 |
| Topic 1.1 Enterprise and entrepreneurship | | |
| 1.1.1 The dynamic nature of business   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | Why new business ideas come about:   * Changes in technology. * Changes in what consumers want. * Products and services becoming obsolete. * How new business ideas come about:   + Original ideas   + Adapting existing products/services/ideas |  |
| 1.1.2 Risk and reward   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The impact of risk and reward on business activity:   * Risk: business failure, financial loss, lack of security * Reward: business success, profit, independence |  |
| 1.1.3 The role of business enterprise   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The role of business enterprise and the purpose of business activity:   * To produce goods or services. * To meet customer needs. * To add value: convenience, branding, quality, design, unique selling points.   The role of entrepreneurship:   * An entrepreneur: organises resources, makes business decisions, takes risks. |  |
| **Topic 1.2 Spotting a business opportunity** | | |
| 1.2.1 Customer needs   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | Identifying and understanding customer needs:   * What customer needs are: price, quality, choice, convenience.   The importance of identifying and understanding customers: generating sales, business survival. |  |
| 1.2.2 Market research   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The purpose of market research:   * To identify and understand customer needs. * To identify gaps in the market. * To reduce risk. * To inform business decisions. |  |
| 1.2.2 Market research   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | Types of market research:   * Methods of primary research: survey, questionnaire, focus group, observation * Methods of secondary research: Internet, market reports, government reports * The use of qualitative and quantitative market research data   The role of social media in collecting market research data.  The importance of the reliability of market research data. |  |
| 1.2.3 Market segmentation   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | How businesses use market segmentation to target customers:   * Identifying market segments: location, demographics, lifestyle, income, age * Market mapping to identify a gap in the market and the competition |  |
| 1.2.4 The competitive environment   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | Understanding the competitive environment:   * Strengths and weaknesses of competitors based on: price, quality, location, product range and customer service.   The impact of competition on business decision making. |  |
| **Topic 1.3** **Putting a business idea into practice** | | |
| 1.3.1 Business aims and objectives   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | What business aims and business objectives are.  Business aims and objectives when starting up:   * Financial aims and objectives: survival, profit, sales, market share, financial security * Non-financial aims and objectives: social objectives, personal satisfaction, challenge, independence and control   Why business aims and objectives differ between businesses. |  |
| 1.3.2 Business revenues, costs and profits   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The concept and calculation of:   * Revenue * Fixed and variable costs * Total costs * Profit and loss * Interest |  |
| 1.3.2 Business revenues, costs and profits   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | Interpretation of break-even diagrams:   * The impact of changes in revenue and costs * Break-even level of output * Margin of safety * Profit and loss |  |
| 1.3.3 Cash  and cash-flow   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The importance of cash to a business:   * To pay suppliers, overheads and employees. * To prevent business failure (insolvency). * The difference between cash and profit.   Calculation and interpretation of cash-flow forecasts:   * Cash inflows * Cash outflows * Net cash-flow * Opening and closing balances |  |
| 1.3.4 Sources of business finance   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | Sources of finance for a start-up or established small business:   * Short-term sources: overdraft and trade credit * Long-term sources: personal savings, venture capital, share capital, loans, retained profit and crowd funding |  |
| **Topic 1.4 Making the business effective** | | |
| 1.4.1 The options for start-up and small businesses   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The concept of limited liability:   * Limited and unlimited liability. * The implications for the business owner(s) of limited and unlimited liability. |  |
| 1.4.1 The options for start-up and small businesses   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The types of business ownership for start-ups:   * Sole trader, partnership, private limited company. * The advantages and disadvantages of each type of business ownership.   The option of starting up and running a franchise operation:   * The advantages and disadvantages of franchising. |  |
| 1.4.2 Business location   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | Factors influencing business location:   * Proximity to: market, labour, materials and competitors * Nature of the business activity * The impact of the internet on location decisions: e-commerce and/or fixed premises |  |
| 1.4.3 The marketing mix   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | What the marketing mix is and the importance of each element:   * Price, product, promotion, place |  |
| 1.4.3 The marketing mix   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | How the elements of the marketing mix work together:   * Balancing the marketing mix based on the competitive environment. * The impact of changing consumer needs on the marketing mix. * The impact of technology on the marketing mix: e-commerce, digital communication. |  |
| 1.4.4 Business plans   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The role and importance of a business plan:   * To identify: the business idea; business aims and objectives; target market (market research); forecast revenue, cost and profit; cash-flow forecast; sources of finance; location; marketing mix.   The purpose of planning business activity:   * The role and importance of a business plan in minimising risk and obtaining finance. |  |
| **Topic 1.5 Understanding external influences on business** | | |
| 1.5.1 Business stakeholders   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | Who business stakeholders are and their different objectives:   * Shareholders (owners), employees, customers, managers, suppliers, local community, pressure groups, the government   Stakeholders and businesses:   * How stakeholders are affected by business activity. * How stakeholders impact business activity. * Possible conflicts between stakeholder groups. |  |
| 1.5.2 Technology and business   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | Different types of technology used by business:   * E-commerce * Social media * Digital communication * Payment systems   How technology influences business activity in terms of:   * Sales * Costs * Marketing mix |  |
| 1.5.3 Legislation and business   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The purpose of legislation:   * Principles of consumer law: quality and consumer rights * Principles of employment law: recruitment, pay, discrimination, and health and safety   The impact of legislation on businesses:   * Cost   Consequences of meeting and not meeting these obligations. |  |
| 1.5.4 The economy and business   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The impact of the economic climate on businesses:   * Unemployment, changing levels of consumer income, inflation, changes in interest rates, government taxation, changes in exchange rates |  |
| 1.5.5 External influences   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | The importance of external influences on business: introducing the idea that some factors beyond the business can impact on the business |  |
| 1.5.5 External influences   |  |  | | --- | --- | | ☺ |  | | 😐 |  | | ☹ |  | | Possible responses by the business to changes in: technology, legislation, the economic climate. |  |