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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

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 | 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
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| 1.1.2 Risk and reward

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 | The impact of risk and reward on business activity:* Risk: business failure, financial loss, lack of security
* Reward: business success, profit, independence
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| 1.1.3 The role of business enterprise

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 | 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.
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| **Topic 1.2 Spotting a business opportunity** |
| 1.2.1 Customer needs

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 | 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

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 | The purpose of market research: * To identify and understand customer needs.
* To identify gaps in the market.
* To reduce risk.
* To inform business decisions.
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| 1.2.2 Market research

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 | 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

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 | 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
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| 1.2.4 The competitive environment

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 | 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

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 | 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

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 | The concept and calculation of:* Revenue
* Fixed and variable costs
* Total costs
* Profit and loss
* Interest
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| 1.3.2 Business revenues, costs and profits

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 | Interpretation of break-even diagrams: * The impact of changes in revenue and costs
* Break-even level of output
* Margin of safety
* Profit and loss
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| 1.3.3 Cash and cash-flow

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 | 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
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| 1.3.4 Sources of business finance

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 | 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
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| **Topic 1.4 Making the business effective** |
| 1.4.1 The options for start-up and small businesses

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 | The concept of limited liability:* Limited and unlimited liability.
* The implications for the business owner(s) of limited and unlimited liability.
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| 1.4.1 The options for start-up and small businesses

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 | 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.
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| 1.4.2 Business location

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 | 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
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| 1.4.3 The marketing mix

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 | What the marketing mix is and the importance of each element:* Price, product, promotion, place
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| 1.4.3 The marketing mix

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 | 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.
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| 1.4.4 Business plans

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 | 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.
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| **Topic 1.5 Understanding external influences on business** |
| 1.5.1 Business stakeholders

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 | 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.
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| 1.5.2 Technology and business

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 | 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
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| 1.5.3 Legislation and business

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 | 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

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 | 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
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| 1.5.5 External influences

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 | 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

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 | Possible responses by the business to changes in: technology, legislation, the economic climate. |  |