

GCSE (9-1) in Business

Theme 1: investigating small business

	Needs Revision	Insecure
Topic 1.1 Enterprise and Entrepreneurship		
1.1.1 The dynamic nature of business		
understanding why new businesses come about:		
Changes in technology		
Changes in what customers want		
Products and services become obsolete		
How new business ideas come about:		
Original ideas		
Adapting existing products/services		
1.1.2 Risk and Reward		
knowledge and understanding the impact risk and reward has on a business:		
Risk: business failure, financial loss, lack of security		
Reward: business success, profit, independence		
1.1.3 The role of business enterprise		
understanding the role of business enterprise and the purpose of business activity:		
to produce goods and services		
meet customer needs		
to add value: convenience, branding, quality, design, unique selling points		
The role of entrepreneurship:		
an entrepreneur: organises resources, makes business decisions, take risks		
Topic 1.2 Spotting a Business Opportunity		
1.2.1 Customer needs		
Being able to identify and understand customer needs:		
<ul style="list-style-type: none"> what customer needs are: price, quality, choice, convenience the importance of identifying and understanding customers: generating sales, business survival. 		
1.2.2 Market Research		
Being able to understand and identify the purpose of market research:		
<ul style="list-style-type: none"> to identify and understand customer needs to identify gaps in the market to reduce risk to inform business decisions. 		
Methods of market research:		
<ul style="list-style-type: none"> primary research: survey, questionnaire, focus group, observation secondary research: internet, market reports, government reports 		
The use of data in market research:		
<ul style="list-style-type: none"> qualitative and quantitative 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:		
<ul style="list-style-type: none"> 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:		
<ul style="list-style-type: none"> 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		
Understand and identify what business aims and objectives are:		
Business aims and objectives when starting up:		
<ul style="list-style-type: none"> 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 aims and objectives differ between businesses.		
1.3.2 Business revenues, costs and profits		
Can accurately understand the concept and calculate:		
<ul style="list-style-type: none"> revenue fixed and variable costs total costs profit and loss interest break even level of output margin of safety. 		
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 and 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 the 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		
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: 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.		
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		
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:		
• possible responses by the business to changes in: technology, legislation, the economic climate.		

