

### 3.1 Unit 1 – Setting up a Business

This unit introduces candidates to issues concerning the setting up and operation of a business. It explores the activities of business and the reasons for success or failure. It encourages candidates to appreciate that businesses must operate within society and that this involves businesses engaging with a wide range of stakeholders who will hold differing perspectives.

#### 1. Starting a Business

This section introduces candidates to the issues involved with starting a business.

| SPECIFICATION   | AMPLIFICATION  |
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| <p>1.1 Starting a Business Enterprise</p> <ul style="list-style-type: none"> <li>sources of business ideas</li> <li>looking for a gap in the market</li> <li>identification of a product or market niche</li> <li>reasons for starting a business</li> <li>franchises.</li> </ul>               | <p>Candidates should understand what a business is and the reasons why businesses are set up eg to produce goods, supply services, distribute products etc. Businesses should include social enterprises.</p> <p>Candidates should understand the advantages and disadvantages of operating as a franchisee, rather than setting up an independent business.</p>   |
| <p>1.2 Setting Business Aims and Objectives</p> <ul style="list-style-type: none"> <li>types of business aims and objectives</li> <li>purpose of setting objectives</li> <li>using business objectives to measure success</li> <li>influence of stakeholders on business objectives.</li> </ul> | <p>Candidates should be aware of the main types of business aims, including: survival, profit, growth, market share, customer satisfaction, ethical and sustainable.</p> <p>Candidates should be familiar with the role of objectives in running a business and how they can be used to measure the success of a business.</p> <p>Candidates should have an understanding of the importance of stakeholders in influencing the objectives of a small business.</p> |

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| <p>1.3 Business Planning</p> <ul style="list-style-type: none"> <li>the purpose of business planning</li> <li>the main sections within a business start-up plan</li> <li>uncertainty and risk for start-up businesses.</li> </ul> | <p>Candidates need to understand how business planning assists in the setting up of a business and the raising of finance.</p> <p>Candidates should know the main sections of a business plan.</p> <p>Candidates will not be expected to write a business plan.</p> <p>Candidates need to be aware of the risks faced by businesses and what can be done to minimise risk.</p> |
| <p>1.4 Choosing the Appropriate Legal Structure for the Business</p> <ul style="list-style-type: none"> <li>sole trader</li> <li>partnership</li> <li>private limited company (Ltd).</li> </ul>                                   | <p>Candidates should know the benefits and drawbacks of the different legal structures, including the appropriateness of gaining limited liability status, and the consequences of increasing the number and range of stakeholders.</p>  |
| <p>1.5 Choosing the Location of the Business</p> <ul style="list-style-type: none"> <li>factors influencing start-up location decisions.</li> </ul>   | <p>Candidates should understand the factors influencing where a business is located, including: the availability of raw materials, transport, labour, competition/other businesses, technology, proximity to the market and costs.</p>   |

## 2. Marketing

This section provides candidates with an introduction to marketing within the context of a business with a limited budget. Consideration is given to the role of information technology in marketing.

| SPECIFICATION  | AMPLIFICATION   |
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| <p>2.1 Conducting Market Research with Limited Budgets</p> <ul style="list-style-type: none"><li>• reasons for conducting market research</li><li>• market research methods.</li></ul>   | <p>Candidates should understand the methods of market research likely to be used by a business with a limited budget including: telephone and other surveys, questionnaires, customer/supplier feedback, focus groups and internet research.</p>  |
| <p>2.2 Using the Marketing Mix</p> <ul style="list-style-type: none"><li>• elements of the marketing mix</li><li>• selecting an appropriate marketing mix for a small business.</li><li>• the use of ICT in assisting international marketing.</li></ul> | <p>Candidates need to be familiar with the four elements of the marketing mix – Product, Price, Promotion and Place. Detailed knowledge of each, however, is not required.</p> <p>Using a given scenario, candidates should be able to recommend appropriate marketing activities for a business with a limited budget.</p> <p>Candidates should consider the products that a small business is likely to offer and how it could alter the products to meet customer needs.</p> <p>Candidates need to have an understanding of the basic relationship between price and demand. eg a price rise would probably affect the profits of a small business in a competitive market.</p> <p>Candidates should understand the promotion methods suitable for a small business, given a limited budget e.g. advertising in local newspapers, the Internet, use of personal recommendation and business cards.</p> <p>When considering place, candidates should recognise the growing importance of e-commerce and how it can extend the reach of businesses to include international markets.</p> |

## 3. Finance

This section introduces candidates to the importance of finance to a business. It investigates sources of finance and financial advice when setting up a small business. Candidates will be introduced to basic financial terms and simple cash flow statements.

| SPECIFICATION   | AMPLIFICATION  |
|---|--|
| <p>3.1 Finance and Support for a Small Business</p> <ul style="list-style-type: none"><li>• sources of finance</li><li>• sources and types of advice available to small businesses.</li></ul> | <p>Candidates need to be aware of the difficulties that many new businesses face when attempting to raise funds.</p> <p>Candidates should be familiar with the main sources of finance available to a small business, including: overdraft, bank loans and mortgages, loans from friends and family, and grants.</p> <p>Candidates should be aware of organisations that can support small businesses.</p> |

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| <p>3.2 Financial Terms and Simple Calculations</p> <ul style="list-style-type: none"><li>• basic financial terms</li><li>• calculating profit and loss.</li></ul>   | <p>Candidates need to understand the terms: price, sales, revenue, costs and profit and the relationship between these.</p> <p>Candidates should be able to perform simple calculations based on these figures to determine profit/loss.</p>  |
| <p>3.3 Using Cash Flow</p> <ul style="list-style-type: none"><li>• interpreting simple cash flow statements</li><li>• the importance of cash flow statements</li><li>• identifying solutions to cash flow problems.</li></ul> | <p>Candidates should be able to interpret simple cash flow statements.</p> <p>Candidates need to understand the consequences of cash flow problems and that these could lead to the business going into receivership and closing down.</p> <p>Candidates should be able to recommend possible solutions to cash flow problems, such as re-scheduling payments and receipts of income.</p> <p>Candidates will not be expected to complete a cash flow statement.</p> |

#### 4. People in Businesses

This section considers suitable ways by which businesses might recruit, motivate and retain staff.

| SPECIFICATION   | AMPLIFICATION  |
|---|--|
| <p>4.1 Recruiting</p> <ul style="list-style-type: none"><li>the need for recruitment</li><li>recruitment methods</li><li>remuneration</li><li>monetary and non-monetary benefits.</li></ul>                               | <p>Candidates should understand the benefits of full and part-time employment to the business.</p> <p>Candidates need to understand the appropriate internal and external methods by which a business might recruit staff, such as: personal recommendation, advertising and interviewing.</p> <p>Candidates should have an understanding of the factors that determine the level of wages/salaries paid to employees, including levels of skill and experience.</p> <p>Candidates should have an understanding of the use of other monetary benefits, including pension payments and bonuses.</p> <p>Candidates need to understand the use of non-monetary rewards to employees, such as fringe benefits.</p> |
| <p>4.2 Motivating Staff</p> <ul style="list-style-type: none"><li>benefits to the business of motivated staff</li><li>methods of motivation used by small businesses.</li></ul>   | <p>Candidates should understand the benefits to the business of having well-motivated staff. Candidates should be able to suggest relevant ways by which small businesses might motivate their employees. These could include: training, greater responsibility and financial rewards.</p>   |
| <p>4.3 Protecting Staff through Understanding Legislation</p> <ul style="list-style-type: none"><li>equal pay and minimum wage laws</li><li>discrimination</li><li>employment rights</li><li>health and safety.</li></ul> | <p>Candidates need to have an understanding of the legal responsibilities of employers and their staff. Whilst it is not necessary to be able to name and quote from an Act of Parliament, candidates require a broad understanding of how such laws can affect small businesses.</p>  |

#### 5. Operations Management

This section considers the importance of operational decisions in managing a business. It explores how operations management can help a business to be more effective, and the role technology can play in this process.

| SPECIFICATION   | AMPLIFICATION   |
|---|---|
| <p>5.1 Production Methods for Manufacturing and Providing a Service</p> <ul style="list-style-type: none"><li>methods of production</li><li>efficiency and technology</li><li>quality issues.</li></ul> | <p>Candidates should be familiar with job and batch production methods and understand when each is appropriate.</p> <p>Candidates should understand the importance to businesses of operating efficiently and the ways in which costs might be lowered, especially with changes in technology.</p> <p>Candidates should have an understanding of customer expectations of quality.</p>  |
| <p>5.2 Customer Service</p> <ul style="list-style-type: none"><li>importance of customer service</li><li>consumer protection</li><li>impact of ICT.</li></ul>   | <p>Candidates should be aware of the importance to small businesses of providing good service to customers, including: reliability, product information and good after sales service.</p> <p>Candidates need to understand that customers are protected by law, which influences businesses, such as the fitness for purpose of the product sold. A detailed knowledge of consumer protection legislation is not required.</p> <p>Candidates should be familiar with the ways in which advances in ICT have allowed customer services to develop, such as the use of websites, e-commerce and global and international markets.</p> |

## 3.2 Unit 2 – Growing as a Business

This unit builds upon the content of Unit 1, allowing candidates to study businesses as they grow and the issues that expansion raises.

### 1. The Business Organisation

This section builds upon the work of Unit 1, and considers how the methods of expansion and objectives of larger businesses might differ from smaller businesses.

| SPECIFICATION  | AMPLIFICATION  |
|--|--|
| <p>1.1 Expanding a Business</p> <ul style="list-style-type: none"><li>• benefits and risks of expansion</li><li>• methods of expansion</li><li>• conflict between stakeholders.</li></ul>                          | <p>Candidates should understand the benefits and risks to a business of expanding and be aware of methods of expansion used by large businesses, for example: mergers and takeovers, organic growth and franchising.</p> <p>Candidates should consider the ways in which the growth of a business can impact on its stakeholders. Candidates need to consider the ways in which stakeholders might react to protect their own interests.</p>                                   |
| <p>1.2 Choosing the Right Legal Structure for the Business</p> <ul style="list-style-type: none"><li>• private limited companies (Ltd)</li><li>• public limited companies (plc).</li></ul>                         | <p>Candidates should understand the advantages and disadvantages of a private limited company becoming a public limited company.</p> <p>Candidates will not be expected to know about the legal process of incorporation.</p>  |
| <p>1.3 Changing Business Aims and Objectives</p> <ul style="list-style-type: none"><li>• reasons for changing aims and objectives as businesses grow</li><li>• ethical and environmental considerations.</li></ul> | <p>Candidates should consider how the aims and objectives of larger businesses might differ from smaller businesses, for instance becoming the dominant business in the market or expanding internationally.</p> <p>Candidates should be familiar with the wider social costs and benefits facing business operation, such as ethical and environmental considerations, and why it might be in the interests of a business to consider these issues within its objectives.</p> |
| <p>1.4 Choosing the Best Location</p> <ul style="list-style-type: none"><li>• the importance of location to growing businesses</li><li>• issues relating to overseas location.</li></ul>                           | <p>Candidates should understand the importance of location to growing businesses in terms of minimising costs and increasing revenues.</p> <p>Candidates need to be able to consider the issues relating to international or global expansion. These issues include physical presence in international markets and cost considerations.</p>  |

## 2. Marketing

This section builds upon marketing concepts introduced in Unit 1 and relates them to the context of a growing business. Candidates will investigate each component of the marketing mix and review how a large business may choose the most appropriate components of the marketing mix and alter its marketing mix in response to market forces

| SPECIFICATION   | AMPLIFICATION   |
|---|---|
| <p>2.1 The Marketing Mix – Product</p> <ul style="list-style-type: none"> <li>product portfolio/mix</li> <li>product life cycle.</li> </ul>   | <p>Candidates should understand how and why businesses might broaden and balance their product portfolio as they grow.</p> <p>Candidates should understand that the demand for a product or service might change over time. They should be aware of the various stages of the product life cycle: development, introduction, growth, maturity and decline.</p> <p>Candidates should be aware of the methods that a company might adopt to extend the life of a product in its decline phase, and the impact these strategies might have on other aspects of the business.</p> |
| <p>2.2 Using the Marketing Mix – Price</p> <ul style="list-style-type: none"> <li>pricing decisions for growth</li> <li>factors affecting pricing decisions.</li> </ul>             | <p>Candidates should understand how pricing can be used to facilitate business growth. These include: price skimming, price penetration, competitive pricing, loss leader and cost-plus.</p> <p>Candidates should be able to recognise the factors which might influence the pricing decision, eg the nature of the market, and the degree of competition.</p>  |
| <p>2.3 Using the Marketing Mix – Promotion</p> <ul style="list-style-type: none"> <li>promotional activities to enable growth</li> <li>selecting the promotional mix.</li> </ul>    | <p>Candidates should be familiar with the promotional methods which are likely to be employed by growing businesses. These include: advertising, sales promotion, sponsorship and direct marketing.</p> <p>Candidates should be able to recognise the factors influencing the selection of the promotional mix, eg the nature of the market, the nature of the product, and the activities of competitors.</p>  |
| <p>2.4 Using the Marketing Mix – Place</p> <ul style="list-style-type: none"> <li>channels of distribution to enable growth</li> <li>selecting channels of distribution.</li> </ul> | <p>Candidates should be familiar with the different channels of distribution used by businesses to gain access to potential customers. These include: retailers, wholesalers, telesales, mail order and internet selling.</p> <p>Candidates should be able to recognise the appropriateness of each distribution method for a given scenario.</p>   |

## 3. Finance

This section introduces candidates to aspects of finance faced by large businesses. Candidates will become familiar with the sources of finance available to large businesses, compared to the small/start-up businesses covered in Unit 1. Basic, simplified financial statements are introduced in this section and candidates will be expected to be able to analyse the content of these documents.

| SPECIFICATION   | AMPLIFICATION  |
|---|--|
| <p>3.1 Finance for Large Businesses</p> <ul style="list-style-type: none"> <li>sources of finance available</li> <li>appropriateness of the sources.</li> </ul>   | <p>Candidates need to be familiar with the main methods that a large business might use to raise funds. These include: retained profits, a new share issue, obtaining a loan or mortgage and selling unwanted assets.</p> <p>Candidates should be able to recognise the advantages and disadvantages of each method for a given situation.</p>   |
| <p>3.2 Profit and Loss Accounts and Balance Sheets</p> <ul style="list-style-type: none"> <li>purpose of financial statements</li> <li>components of financial statements</li> <li>interpretation of data given on financial statements.</li> </ul> | <p>Candidates should understand the importance of a profit and loss account and balance sheet to the stakeholders when assessing the performance of the business.</p> <p>Candidates should be able to identify the various components of a profit and loss account and balance sheet.</p> <p>Candidates should be able to make judgements on the performance of a business through interpretation of the information contained in simplified versions of the profit and loss accounts, balance sheet and by the application of gross and net profit margins and current and acid test ratios.</p> <p>Candidates will be given the relevant formulae for ratios, where appropriate, as part of the examination paper.</p> |

#### 4. People in Businesses

This section introduces candidates to the human resources function in a large business. Candidates will also be introduced to the different organisational structures of a business and the processes by which businesses recruit, motivate and retain their employees.

| SPECIFICATION  | AMPLIFICATION  |
|--|--|
| <p>4.1 Reorganising Organisational Charts and Management Hierarchies</p> <ul style="list-style-type: none"> <li>internal organisational structures</li> <li>appropriateness of centralisation/ decentralisation for growing businesses.</li> </ul> | <p>Candidates should be familiar with internal organisation structures, organisation trees, and layers of management.</p> <p>Candidates should understand the term 'span of control'. They should be aware of the effect that the shape of the organisational structure has on how the organisation is managed.</p> <p>Candidates should be familiar with the concepts of centralisation and decentralisation and the benefits and challenges that both can bring to a business.</p> |

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| <p>4.2 Recruitment and Retention of Staff</p> <ul style="list-style-type: none"> <li>the staff recruitment process</li> <li>appraisal and training</li> <li>methods of motivation</li> <li>retention of staff.</li> </ul> | <p>Candidates should understand the process that businesses use to recruit and select new employees.</p> <p>Candidates should understand the benefits of an induction training programme and what might be included in it.</p> <p>Candidates should be aware of the advantages and disadvantages of on the job training, such as in house training, and off the job training such as external courses.</p> <p>Candidates should understand how and why businesses use an appraisal or performance review system.</p> <p>Candidates should understand the methods by which businesses motivate and retain suitable employees, including the roles of training, remuneration and styles of management.</p> <p>Specific motivational theories (such as Maslow) will not be examined.</p> |
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#### 5. Operations Management

This section introduces candidates to the organisation of production or service provision. Candidates will increase their understanding of production methods to include flow production. The concepts of efficiency and quality assurance are introduced in this section.

| SPECIFICATION  | AMPLIFICATION   |
|--|---|
| <p>5.1 Production Methods for Growing Businesses</p> <ul style="list-style-type: none"> <li>use of flow production</li> <li>efficient production methods</li> <li>lean production techniques.</li> </ul> | <p>Candidates should be familiar with flow production and the how this can create efficient use of resources.</p> <p>Candidates should understand how specialisation and division of labour can impact on efficiency.</p> <p>Candidates should consider how production might be made more efficient by the use of lean production techniques, eg Just In Time and the impact these might have on employees (such as training and motivation).</p> |
| <p>5.2 Recognising Challenges of Growth</p> <ul style="list-style-type: none"> <li>advantages of growth</li> <li>disadvantages of growth.</li> </ul>   | <p>Candidates should understand the ways, both internal and external, in which large businesses obtain a cost advantage over smaller businesses.</p> <p>Candidates should also consider how the disadvantages of growth might occur within a growing business, eg longer chains of communication and complexities within the production process.</p>  |
| <p>5.3 Maintaining Quality Assurance in Growing Businesses</p> <ul style="list-style-type: none"> <li>identifying quality problems</li> <li>methods of maintaining consistent quality.</li> </ul>        | <p>Candidates should be aware of the possible quality issues that growing businesses face eg consistency and the cost of maintaining quality (outsourcing, inspection costs).</p> <p>Candidates should be aware of the methods of maintaining consistent quality, including concepts such as Total Quality Management (TQM).</p>  |

## Revision Programme GCSE Business Studies

You are following the AQA new specification for Business Studies. It is hoped that both teachers will have completed the delivery of the syllabus by spring half term. Lesson time after this holiday will be dedicated to revision of topics and practice of exam papers.

You will take 2 exam papers in the summer term

Unit 1 – Setting Up a Business

Unit 2 - Growing as a Business



### What we are doing at school to help you

If you are on study leave you can still contact staff via e-mail.

**Miss Jones – [cjones@toothill.notts.sch.uk](mailto:cjones@toothill.notts.sch.uk)**

**Mr Rogers - [mrogers@toothill.notts.sch.uk](mailto:mrogers@toothill.notts.sch.uk)**

**Mr Mistry - [smistry@toothill.notts.sch.uk](mailto:smistry@toothill.notts.sch.uk)**

**Mr Chambers - [jchambers@toothill.notts.sch.uk](mailto:jchambers@toothill.notts.sch.uk)**

We do check e-mail daily on school days so can respond to your questions or issues pretty quickly. Please use this to ask questions or get us to look over any work/questions you have completed.

Also on study leave come and find us for help when you are in school.

### Lunchtime Revision Sessions

We are currently running lunchtime revision classes. This is an opportunity to go over any topics you find tough, or to ask questions you might not get a chance to in class.

### Exam day warm ups

We will organise sessions for you to attend just before your exams. These will focus on exam paper structure, key reminders for dealing with different types of questions and getting your minds focussed on business topics/issues.

If you require any other teacher support or have good ideas that help you in other subjects please discuss these with your teachers.

## **What should you be doing at home**

In order to do well in business studies you need to master two key issues. Firstly you need to be secure on subject knowledge. Secondly you need to be able to show your knowledge in the way the examiner wants to see it.

## **Getting the knowledge secure**

### **Key terms**

Can you explain different business terms?, Go through glossaries, the key terms book and read through terms. You could use a traffic light system red, amber and green for terms you don't know, sort of know and are OK with. See if you can describe the terms to a friend or parent. See if you can write your own definitions to terms. Check answers and update your traffic lights. If there are terms you don't know use websites or ask teachers to explain.

### **Learning the maths bits!**

You will be given the ratio formulae but you still need to be confident with working out cash flow and working out gross and net profit

Topic cue cards can be useful to make to help learn the concepts.

### **Showing your knowledge in the right way.**

Examination questions have key words that prompt you to answer in a certain way. In business studies they often ask you to describe or explain issues. This means you need to answer in sentences not in lists! You will be asked to analyse or consider advantages and disadvantages. In these questions you need to explain the good and bad points of an issue. Lastly you will be asked to make decisions and justify these or evaluate an issue. In these questions you need to consider the 'best' idea/alternative based on the advantages and disadvantages that you have presented.

### **To help practice these skills try the following:**

Take an issue e.g. should firm A raise its prices? Identify why it might be a good or bad idea. Then try to identify things that will swing the decision one way or the other e.g. how many competitors are there? How will they react? Will people pay higher prices?

You can also draw mind maps. Put a key topic or question in the middle of a sheet of paper and then try to develop links or other questions in a diagram.

Try revising with a friend. This can help, but you need to have a plan of what you are going to do and stick to it! You can discuss issues, test each other, write answers and read each other's work etc.

Good luck, and please seek help from staff when you need it.



## Exam Board Links

The AQA website has detailed information about the specification, past papers, examiners reports. These are accessed by the following web link  
[http://web.aqa.org.uk/qual/newgcse/business/new/business\\_overview](http://web.aqa.org.uk/qual/newgcse/business/new/business_overview).

If you are unable to access the page from the above link please go to [www.aqa.org.uk](http://www.aqa.org.uk), then select qualifications on the left hand side. Then select GCSE from the drop down menu then business studies 4133.

We will be using past papers in lessons and for homework between now and the summer exams.

## Revision Websites

A number of websites have good business studies revision materials

[www.businessstudiesonline.com](http://www.businessstudiesonline.com) this site has a range of topic notes, activities and diagrams. The materials are very good and easy to follow. Select GCSE business studies and then either theory notes or online activities.

[www.bbc.co.uk/schools/gcsebitesize/](http://www.bbc.co.uk/schools/gcsebitesize/) this link takes you to bite size homepage. Pick Business Studies and access notes and short tests.

[www.tutor2u.net](http://www.tutor2u.net). Tutor2u have lots of good notes. If you investigate the site you will find other revision tools.

[www.bized.co.uk](http://www.bized.co.uk) bized again has loads of good notes and materials. The resources are more geared up to A level students, but they are a good reference source.

[www.revisionguru.co.uk](http://www.revisionguru.co.uk) this site has an online text book with definitions and diagrams on key topics.

The web sites listed above are a sample of what is available. You need to be careful as all sites will cover different issues in different levels of depth. Some of the materials are not on our GCSE syllabus.

## How should websites be used?

It depends on your needs. They are good to read through notes on a specific topic e.g. if you want an overview of balance sheets find a set of notes, read them through, make some summary key points.

Don't spend hours on end just skimming through website materials without doing anything else like summary cards, questions or mind maps etc.

## Revision Guides

GCSE revision guides from BBC Bitesize are available from any bookstore at a cost of £5.99

The text book that we use is AQA Business Studies By Peter Stimpson et al – Published by Nelson Thornes

## Answering exam questions

### Tip 1

Read the question carefully and think about what it is asking you

### Tip 2

Look at the number of marks allocated and answer the question accordingly

### Tip 3

Give a full definition and an example if you can think of one

### Tip 4

Nine mark questions should be structured as follows:

1. Define the key terms from the question
2. If the question asks you to discuss or analyse a particular situation give some advantages and disadvantages – make sure you develop each one to state why it is an advantages/disadvantage for the firm
3. If the question asks you to give a number of ideas/solutions – make sure you list the ideas giving advantages and disadvantages of each one
4. Do a conclusion using the following structure
  - I think that... give your view and answer the question
  - If the questions has asked to list a number of ideas/solutions say which one you think is the most important one and the least important
  - Say why you have that view
  - Give a recommendation for going forward
  - Say what the success of this will depend on e.g. finance, management style, economic climate

### Tip 5

Do not waste time in the exam at the end. Read through your answers and see whether you can add any more

### Tip 6

Feel free to use extra paper for longer answers if necessary