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BTEC BUSINESS STUDIES

EXAM BOARD: **EDEXCEL**

COURSE CODE: **603/1916/1**

TOPIC NUMBER	TOPIC	Assignment
COMPONENT 1 – EXPLORING ENTERPRISES		
1	Characteristics of Enterprises	C1LAA (1)
2	The Skills and Qualities of an Entrepreneur	C1LAA (1)
3	Explore how Market Research help enterprises to meet customer needs	C1LAB (2)
4	Investigate the factors that contribute to the success – Internal Factors	C1LAC1 (3)
5	Investigate the Factors that contribute to the success – External Factors	C1LAC (3)
COMPONENT 2 – PLANNING FOR AND PITCHING AN ENTERPRISE ACTIVITY		
6	Explore Ideas and Plan for a Micro-Enterprise Activity – Exploring Ideas	C2LAA (1)
7	Explore Ideas and Plan for a Micro-Enterprise Activity – The Final Plan	C2LAA (1)
8	Explore Ideas and Plan for a Micro-Enterprise Activity – Pitching the Final Plan	C2LAB (1)
9	Explore Ideas and Plan for a Micro-Enterprise Activity – Evaluating the Final Plan	C2LAC
COMPONENT 3 – PROMOTION AND FINANCE OF A BUSINESS		
10	Elements of the promotional mix and their purposes	C3LAA1,2,3 Exam
11	Financial Records	C3LAB1,2 Exam
12	Sources of Revenue and Costs and Terminology in Financial Statements	C3LAB3 Exam
13	Statement of Comprehensive Income and Financial Position	C3LAB5,6 Exam
14	Profitability and Liquidity	C3LAB7 Exam
15	Cash Flow Forecasting and Break Even	C3LAC1,23 Exam

Name:

Tutor Group:

Assessment Criteria

A.1P1 Identify the purpose, activities and aims of two contrasting local enterprises

A.1M1 Outline in detail how the activities and aims meet the purpose of two contrasting local enterprises.

A.2P1 Compare the purpose, activities and aims of two contrasting local enterprises.

A.2D1 Assess how successful a selected local enterprise has been in achieving its main purpose.

In order to meet the assessment criteria above you must Investigate 2 SME's and.....

List what the business does in terms of its purpose and its activities

Briefly describe **how** the activities of the businesses help to meet the aims and objectives of the business.Look at the **similarities and differences** between the purposes and the activities of your 2 business.**Explain and justify** whether you think that 1 of your businesses has been successful.

Sentence Starters

My Business is (*characteristics of your businesses*)

The purpose of the business is

The aims of the business are

The activities is engages with are

The business activities help to meet the aim by...

The business aims helps to meet the purpose because.....

The similarities between my 2 businesses activities are.....

The similarities between my businesses aims are.....

The similarities between my 2 businesses purpose are.....

Do the same replacing similarities with differences

My business has been successful in meeting its purpose because.....

The Theory – Characteristics of a business**Definition of SME's:**

- micro – up to 10 people
- small – between 11–49 staff
- medium – between 50–249 staff.

Characteristics of SMEs:

- run by a single individual or small team of people
- small number of employees
- type of ownership – sole trader, partnership, ltd.
- physical location and/or operate online.

The Theory – Aims & Purposes of Enterprises**Aims such as**

- making a profit
- surviving
- expanding
- maximising sales
- providing a voluntary or charitable service,
- being environmentally friendly,
- being ethical.
- How social and political pressures can influence enterprises to consider wider ethical responsibilities.

The Theory – Activities

Range of the types of products and services provided by enterprises:

e.g. cleaning

Fitness instruction

IT consultancies

Financial consultancies

Selling products, for example a food stall, newsagent, artists selling work online.

The Theory – KeyTerms

Enterprise

Characteristics

Goods

Services

SME's

Unique

Independent

Chains

Retain

Limited Company

Social Pressure

Ethics

Reputation

Budgets

Profit

Loyalty

Social Media

Private Sector

Public Sector

Sole Trader

Partnership

Limited Liability

Political Pressure

Books

BTEC Tech Award Enterprise – Richards, Coupland-Smith, Redfern

Websiteswww.bbc.co.uk/education/subjects/zpsvr82www.baffledbee.co.uk**Network**

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Assessment Criteria

A.1P2: Identify entrepreneurial characteristic and skills demonstrated in each selected local enterprise.	A.1M2: Outline how entrepreneurial characteristics and skills support the purpose of each selected local enterprise.	A.2P2 Describe the entrepreneurial characteristic and skills demonstrated in each selected local enterprise.	A.2M1 Analyse how entrepreneurial characteristics and skills support the purpose of a selected local enterprise.
In order to meet the assessment criteria above you must Investigate 2 SME's and.....			
List the skills and the qualities that have been shown by the entrepreneurs	Briefly describe how the skills help the entrepreneur to meet what the business does.	Using examples link the skills of the entrepreneur to what the business does.	Explain and justify whether you think that 1 of your businesses has been successful.
Sentence Starters			
One skill the entrepreneur has shown is.....	This skill means.....	The entrepreneur has demonstrated the skill when.....	This skill has helped the business to be successful because.....

The Theory – Reasons for starting a business

- To be your own boss – Making all the decisions yourself. This comes with advantages and disadvantages
- To pursue a hobby – To enjoy what you do full time rather than just as a hobby.
- For flexibility – To be a rule maker, rather than a rule follower.

The Theory – Skills of an entrepreneur

- Knowledge of industry/sector.
- Technical skills – needed for the industry
- Interpersonal communication skills – relationships with people
- Planning -
- Time management – making sure every minute is productive
- Negotiation – discussion skills to reach an agreement
- Prioritising tasks
- Problem solving.
- Managing risk.

The Theory – Mindset of an Entrepreneur

- Focus.
- Passion
- Motivated and dedicated.
- Inventive or innovative.
- Proactive.
- Confident and adaptable.
- Resilient.
- Having vision and the capacity to inspire.

The Theory – KeyTerms

Entrepreneur	Mind-Set
Skills	Characteristics
Interpersonal	Planning
Negotiation	Prioritising
Flexible	Resilient
Determined	Motivated
Visionary	Industry
Risk Management	Sector
Time Management	

Books

BTEC Tech Award Enterprise – Richards, Coupland-Smith, Redfern

Websites

www.bbc.co.uk/education/subjects/zpsvr82

www.baffledbee.co.uk

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www.startupbritain.org

www.startupnow.org.uk

TOPIC TITLE: C1LAB – Explore how market research helps enterprises to meet customer needs and understand competitor behaviour

Assessment Criteria

B.1P3 Identify how two local selected enterprises use market research to meet customer needs & understand competitor behaviour.	B.1M3 Outline how two local selected enterprises use market research to meet customer needs & understand competitor behaviour.	B.2P3 Explain how two selected enterprises use market research to meet customer needs & understand competitor behaviour.	B.2M2 Discuss how market research methods are designed to meet customer needs & understand competitor behaviour in two selected enterprises.	B.2D2 Assess the effectiveness of the market research methods used to meet customer needs & understand competitor behaviour in a selected enterprise.
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In order to meet the assessment criteria above you must investigate 2 SME's and.....

Outline some of the key features of market research List some of the methods of primary and secondary research that the business uses. <i>Do this for both businesses</i>	Outline how your businesses use, analyse and present the data to identify customer needs and expectations. Outline how your businesses use the data to understand competitors. <i>Do this for ALL the different methods and the 2 businesses</i>	Explain how your businesses use, analyse and present the data to identify customer needs and expectations. Explain how your businesses use the data to understand competitors <i>Do this for ALL the different methods</i>	Discuss how your businesses methods are designed to meet different customer needs. Discuss how your businesses methods help to understand the competitors. <i>Do this for ALL the different methods and the 2 businesses.</i>	Assess the appropriateness of the methods used. Assess how effective these methods are in providing enough information for one of your businesses. <i>Do this for ALL the different methods but for only 1 business</i>
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Sentence Starters

Market research is..... The market research method my business uses is.....	This method is.....	My businesses uses this method as it will help to..... This leads to..... Therefore.....	My business changes its methods to suit the different needs by.....	The advantage of using this method is.....The disadvantage of using this method is.....
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The Theory – Customer needs

- The importance of anticipating and identifying customer needs.
- Identifying customer expectations:
 - good-value products
 - rapid response to enquiries
 - clear and honest information.
- After-sales service.
- The ways in which different products can be linked to different kinds of customers according to:
 - age, gender, income, lifestyle and location.

The Theory – Uses and methods of Market Research

- Qualitative research – based on individual customer responses, open-ended questions.
- Quantitative research – based on numerical and statistical data.
- Primary research – Information that does not exist. Types of primary research, e.g.:
 - Questionnaires
 - visits or observation
 - interviews or focus groups
 - surveys
- Secondary research – Information gathered by someone else: e.g.:
 - online research, internet searches, websites
 - company materials
 - market reports
 - government reports.

The Theory – Understanding Competitors

- The main features which make products competitive:
 - Price
 - Quality
 - Availability
 - USP.
- Identifying competitors.
- How products stand out from similar products in the market.

The Theory – KeyTerms

Customer Needs	Market Research
Customer satisfaction	Stock
Customer Service	Qualitative Data
Quantative Data	Closed Question
Open-Ended Questions	Primary Research
Secondary Research	Focus Groups
Competitors	USP
Observations	Questionnaires
Interviews	Surveys
Internet Research	Market Reports
Government Reports	

Books

BTEC Tech Award Enterprise – Richards, Coupland-Smith, Redfern

Websites

www.bbc.co.uk/education/subjects/zpsvr82

www.gov.uk/government/statistics

www.baffledbee.co.uk

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TOPIC TITLE: C1LAC1 – Investigate the factors that contribute to the success of an enterprise – Internal Factors

Assessment Criteria				
C.1P4 Identify some ways in which internal factors are important for business success.	C.1M4 Outline ways in which internal factors are important for business success.	C.2P4 Explain ways in which internal factors are important for business success.	C.2M3 Analyse how the internal factors determine the success of a selected enterprise.	C.2D3 Evaluate the most significant internal factors currently affecting a selected enterprise.
In order to meet the assessment criteria above you must Investigate 2 SME's and.....				
List some of the internal factors that impact on the success of your businesses.	Outline how a range of internal factors influence your business. You must include examples.	Clearly Explain how a range of internal factors impact on your businesses.	Analyse how relevant internal factors determined the success of your business. Conduct a SWOT for one of your businesses. Explain the reasons and the methods for measuring success	Evaluate the internal factors affecting your business to decide which are the most significant in affecting its success. Conduct a SWOT Using the measures and evidence to justify decide whether your business is a success.
Sentence Starters – Make sure you follow the sentence starters right through the assessment criteria				
The internal factors that affect my business are.....	For example (<i>factor</i>) will influence the business because....	This (<i>factor</i>) will lead to the business.....	This (<i>factor</i>) has helped the business to be a success because...This (<i>factor</i>) has hindered the business to be a success because... A SWOT is..... My business' SWOT is.... A way a business measures success is... Businesses measure success because...	(<i>Factor</i>) has had the biggest impact because..... My business has been a success because.....

The Theory – Internal Factors

- Factors within the control of the enterprise that can impact positively or negatively on costs, to include:
- understanding the market – who the competition is, what customers want
- keeping customers satisfied – the ability to meet customer needs better than its competitors on quality, price, features, customer service, availability, convenience
- effective planning and financing
- marketing and promoting the enterprise
- unforeseen human resources costs, e.g. staff illness.

The Theory – Situational Analysis

- Using situational analysis to identify how internal and external factors might affect an enterprise, to include:
- SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis – draws together everything that could affect the success of an enterprise, including competitive advantage and disadvantage, usually presented in the form of a table with bulleted points.

The Theory – Measuring the success

- Measures of success of SMEs – how far they meet business aims
- Reasons for the success of SMEs
- skills, hard work, determination, resilience and the ability of the entrepreneur.
- ability to develop/motivate/train employees
- level of customer service/satisfaction and the ability to meet customer needs
- Years of experience operating in this or similar markets.
- Methods of measuring success, e.g. Surviving; making a living
- sales volume/value; market share; profit
- customer satisfaction/reputation.

The Theory – Keyterms

Demand
Finance
Contingency Plan
SWOT Analysis
Strengths
Weaknesses
Opportunities
Threats
Market Share
Profit
Competitive Advantage

Books

BTEC Tech Award Enterprise – Richards, Coupland-Smith, Redfern

Websites

www.bbc.co.uk/education/subjects/zpsvr82

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TOPIC TITLE: C1LAC – Investigate the factors that contribute to the success of an enterprise – External Factors

Assessment Criteria

C.1P5 Identify some ways in which external factors are important for business success.	C.1M5 Outline ways in which external factors are important for business success.	C.2P5 Explain ways in which external factors are important for business success.	C.2M3 Analyse how the internal and external factors determine the success of a selected enterprise.	C.2D3 Evaluate the most significant internal and external factors currently affecting a selected enterprise.
In order to meet the assessment criteria above you must investigate 2 SME's and.....				
List some of the external factors that impact on the success of your businesses.	Outline how a range of external factors influence your business. You must include examples.	Clearly Explain how a range of external factors impact on your businesses.	Analyse how relevant external factors determined the success of your business. Conduct a PEST for one of your businesses. Explain the reasons and the methods for measuring success	Evaluate the external factors affecting your business to decide which are the most significant in affecting its success. Conduct a PEST. Using the measures and evidence to justify decide whether your business is a success.
Sentence Starters – Make sure you follow the sentence starters right through the assessment criteria				
The internal factors that affect my business are..... The external factors that affect my business are.....	For example (<i>factor</i>) will influence the business because	This (<i>factor</i>) will lead to the business.....	This (<i>factor</i>) has helped the business to be a success because...This (<i>factor</i>) has hindered the business to be a success because... A SWOT is..... My business' SWOT is.... A way a business measures success is... Businesses measure success because...	(<i>Factor</i>) has had the biggest impact because..... A PEST is..... The PEST for my business is..... My business has been a success because.....

The Theory – External Factors

Factors outside the control of the enterprise that can impact on costs, to include:

- changes in cost of energy, raw materials, borrowing, premises
- changes in costs of marketing or selling
- governmental changes – new regulations, changes in taxation.

Factors outside the control of the enterprise that can impact on revenues, to include:

- competitors – new competitors, changes by existing competitors
- consumer confidence in the economy – growth/recession, level of employment
- changing consumer behaviour – social trends, taste
- changes in consumer legislation, sales and labelling of products and the misuse of information.

The Theory – Situational Analysis

- Using situational analysis to identify how internal and external factors might affect an enterprise, to include:
- SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis – draws together everything that could affect the success of an enterprise, including competitive advantage and disadvantage, usually presented in the form of a table with bulleted points.

The Theory – Measuring the success

- Measures of success of SMEs – how far they meet business aims
- Reasons for the success of SMEs
- skills, hard work, determination, resilience and the ability of the entrepreneur.
 - ability to develop/motivate/train employees
 - level of customer service/satisfaction and the ability to meet customer needs
 - Years of experience operating in this or similar markets.
 - Methods of measuring success, e.g. Surviving; making a living
 - sales volume/value; market share; profit
 - customer satisfaction/reputation.

The Theory – KeyTerms

Interest	Recession
Fluctuation	Economy
Gross Profit	Legislation
Loan	Market Share
USP	Profit
Regulations	Liquidity
Taxation	
Growth	
Tastes	
Political	
Economical	
Social	
Technological	

Books

BTEC Tech Award Enterprise – Richards, Coupland-Smith, Redfern

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www.bbc.co.uk/education/subjects/zpsvr82

www.gov.uk/government/statistics

www.baffledbee.co.uk

www.tutor2u.net

Assessment Criteria		
A.1P1 Identify three potential ideas for micro-enterprise activities, using market research.	A.1M1 Outline three potential ideas for micro-enterprise activities, using market research.	A.2P1 Describe three potential ideas for micro-enterprise activities obtained using market research.
In order to meet the assessment criteria above you come up with 3 ideas and for each idea.....		
You will identify three ideas for a micro-enterprise activity. You will state how you used your research to identify your ideas...	Outline your 3 ideas for a micro-enterprise activity. You will need to include some evidence of research into each idea. You will need to have considered some relevant factors when making your final choice.	Clearly describe your three potential ideas for a micro-enterprise Activity. You must give clear records of your market research for each idea. You will need to give reasons for your choice of activity, showing you have considered relevant factors, including resources, financial forecasts, costing and pricing, methods of communication and promotion, and potential customers.
Sentence Starters		
One of my ideas for a micro-enterprise activity is..... To find this I used (<i>market research method</i>) to find out..... x3	Within my micro-enterprise I will....x3 I know this will work because.....x3 I chose this idea because.....	My micro-enterprise will....(<i>state everything the business will do..</i>) I have chosen this reason because..... (include all factors that need to be considered.

The Theory – The ideas

Ideas could involve:

- Innovation of products/services – Making a new product/service to sell.
- provision of products/services in new contexts – Same product selling to a new situation e.g. *Glamping, Breakfast Cereal*
- provision of products/services to new markets. Not changing the product but selling it to new target market e.g. adult colouring books

The Theory – Factors to consider 1/2

Essentially need to answer 2 questions.

1. Is the idea achievable given the resources needed?
2. Does the idea have a target market?

These need to be answered using research.

Factors to be considered when selecting your final idea include,

- **Resources available –**
 - What **Human Resources** do you need?
 - What financial resources are needed to start?
 - What physical resources will you need?

The Theory – Factors to Consider 2/2

Factors to be considered when selecting your final idea include contd.

- **Financial forecasts**
 - What does your profit/cash flow look like?
 - Will you break even?
- **Costing and pricing.**
 - How much would it cost to set up?
 - How much would it cost to make the product?
 - What would you sell it for?
- **Methods of communication and promotion**
 - How will you launch?
 - How will you advertise?
- **Potential customers –** who is your target market?

The Theory – Skills Audit

Do you have the skills to run a business?
 o leadership, personal and communication skills
 o technical and practical skills required.

The Theory – KeyTerms

Invention	Skills Audit
Innovation	Personal Skills
Human Resources	Target
Market	
Break Even	Market Research
Leadership	
Technical Skills	
Communication Skills	

Books

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Assessment Criteria

A.1P2 Prepare an outline plan for a final micro-enterprise activity.	A.1M2 Prepare an outline plan for a final micro-enterprise activity, giving some reasons for choice of final idea.	A.2P2 Prepare a realistic plan for a final micro-enterprise activity, fully explaining reasons for choice of final idea.	A.2M1 Prepare a detailed, well-structured realistic plan for a final micro-enterprise activity, giving detailed reasons for choice of idea supported by individual research.	A.2D1 Prepare a comprehensive and realistic plan for a final micro-enterprise activity, supported by clear individual research.
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The difference in the grades is essentially the level of depth you provide for each of the aspects of the Business Plan. For....

<ul style="list-style-type: none"> You will produce a series of bullet points that go into a business plan largely stating 1 factor from each section. Market Research will be used in a limited way for justification. Financial information will be apparent but not necessarily accurate 	<ul style="list-style-type: none"> You will produce a series of outline description of your business plan describing at least 2 factors from each section in a logical sequence Market Research will be used for justification. Financial information will be based on the aims but not necessarily realistic and will contain some errors 	<ul style="list-style-type: none"> Learners will produce a plan that gives a clear account of most relevant information, in a logical sequence. Market Research will be used for justification to prove decisions made You will produce financial forecasts that will be mostly accurate, although there may be some minor errors and the forecasts may not be realistic. 	<ul style="list-style-type: none"> You will produce a detailed plan that gives mostly relevant information in a logically structured way. You will give valid reasons to support your decisions based on market research You will produce complete financial documents that will be mostly accurate, although there may be some minor errors. The forecasts must be realistic and achievable for the type of enterprise activity. 	<ul style="list-style-type: none"> You will produce a comprehensive plan that gives details of all elements in a logical sequence. You will give detailed and valid reasons for your choices which will be based on realistic market research You will produce complete and accurate financial documents, which must be realistic and achievable for the type of enterprise activity.
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The Final Business Plan will contain

What to include	Details	Justification/sentence starters
Aims of the Business	You must include Financial and Non Financial Aims.	The aim of my business is to..... I want this aim because.
Goods and Services	What goods and services will you be selling? What price? What is the USP? Benefits?	The goods and services I will be selling are..... I will be selling them for....because.... My target market will buy them because.....
Target Market	Who are they according to age, gender, lifestyle, ethnicity, demographics, geographic? How will you target the market	My target market is.....I have chosen this target market because....I will target the market by.....
Resources required	Physical – Location, Materials, Equipment, IT, Stock; Fixtures and Fittings Human – Employees needed; training needed Financial – Sources of Finances; Start – up Costs; Running Costs; Production Costs	The resources I need are..... I need this resource because. I will get it from.....
Risk Assessment	What could go wrong in terms of Lack of Skills; Competitors Actions; Unexpected Costs; Quality Control; Lack of Customer Interest. Contingency Plan	In the futurecould go wrong. If this happens I will.....
Financial	How well will your business do in terms of: Profit, Break Even, Sales Revenue; Cash Flow.	In the first year my profit will be.....because.... In the 2 nd year my profit will be.....because....
Costing	What are your costs? Are they realistic? How do you know.	My costs are.....
Communication and Promotion	The promotion that you intend to use. What methods and why? How does it meet your target market?	I will promote through..... The reason I will do this promotion is..... It will cost.....

Books

BTEC Tech Award Enterprise – Richards, Coupland-Smith, Redfern

Websites

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B.1P3 Deliver a pitch of the outline plan, demonstrating communication and presentation skills.	B.1M3 Deliver a pitch of the outline plan, demonstrating appropriate communication and presentation skills.	B.2P3 Deliver a pitch of the plan, demonstrating a range of appropriate communication and presentation skills.	B.2M2 Deliver a confident pitch of the plan to an audience, demonstrating good communication and presentation skills.	B.2D2 Deliver an effective pitch of the plan to an audience, demonstrating excellent communication and presentational skills.
You will have to present your Business idea to the group and to get the grades you must.....				
You will present the plan but there are likely to be omissions. You will pitch your final outline plan, giving reasons for some choices. However, not all reasons may be realistic or valid, detail will be lacking. You will also demonstrate presentation skills and communication skills. However, your use of skills may be inconsistent.	<ul style="list-style-type: none"> You will pitch your outline plan, giving reasons for some choices, but there will be little attempt to support your pitch. You will also demonstrate presentation skills and communication skills. 	<ul style="list-style-type: none"> You will deliver a pitch that gives a generally clear account of mostly relevant information. The pitch will follow a logical sequence. You will provide reasons to support their most significant choices. You will also demonstrate a range of presentation skills and communication skills. 	<ul style="list-style-type: none"> You will produce and deliver a clear pitch to an audience coherently as a clear summary of the plan that includes mostly relevant information You will explain in detail the reasons for their choices and will present their plan fluently with few hesitations. You will also demonstrate confident presentation skills and communication skills. 	<ul style="list-style-type: none"> You will deliver a pitch that summarises the key elements of a business plan to an audience logically. Learners will present a persuasive pitch by supporting all key elements of the plan, with carefully selected reasons for their choices. You will also demonstrate effective presentation skills and communication skills.

The Theory – Presentation skills

Presentation skills:

- o professional behaviour and conduct of presenter
- o positive attitude
- o well-rehearsed and prepared
- o considerate of the needs and interests of the audience
- o use of visual aids, e.g. computer projection/slideshow with speaker notes, handouts for audience, clarity and legibility of text, impact of graphics and images.
- **Communication skills:**
 - o body language, gestures and eye contact
 - o language and tone, pace, volume and projection
 - o use of business terminology
 - o listening, handling questions and formulating appropriate responses.

Books: *BTEC Tech Award Enterprise – Richards, Coupland-Smith, Redfern*

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www.bbc.co.uk/education/subjects/zpsvr82

www.gov.uk/government/statistics

www.baffledbee.co.uk

www.tutor2u.net

<https://www.wordstream.com/blog/ws/2014/11/19/how-to-improve-presentation-skills>

<https://www.impactfactory.com/library/presentation-skills-seven-laws>

C.1P4 Identify the elements of the business plan that contributed to success of the pitch.	C.1M4 Outline the elements of the business plan that contributed to the success of the pitch.	C.2P4 Describe the elements of the business plan that contributed to the success of the pitch.	C.2M3 Analyse the success of the plan and pitch, giving detailed examples, and suggesting improvements.	C.2D3 Evaluate the success of the plan and pitch, and recommend how improvements to the plan and pitch could be made.
C.1P5 Identify own skills demonstrated in the pitch.	C.1M5 Outline in detail own skills demonstrated in the pitch.	C.2P5 Review the success of the pitch, using examples to reference own skills, and suggest improvements.		
This part of the unit is about evaluating you and your pitch.				
You will need guidance and support to evaluate the presentation. You will identify key elements of the success of the business plan without any significant reflection.	You will independently and with support outline any key elements of the plan that appeared successful.	You will independently reflect on your plan and using feedback from others as part of their review in order to suggest areas for improvement. You will review the success of key elements of the plan.	You will independently consider your plan and own performance during the pitch and whether the pitch was successful. It will be supported by detailed and relevant examples, identifying which were the most important factors for success. You will suggest key improvements with some justification, including information gathered from others.	You will consider in detail and reach a conclusion about how your skills contributed to the success of the pitch. You will make clear links between your use of skills and the success of the pitch by looking at your strengths and weaknesses throughout. You will reach a reasoned conclusion on the success of the pitch and make and logical and feasible amendments that will add to its potential success.
You will need guidance and support to evaluate the presentation. You will identify key elements of the success of the business plan without any significant reflection.	You will independently and with support note your use of presentation skills but will lack detail	You will independently reflect on your presentation and using feedback from others as part of your review you will suggest areas for improvement.	This must include an assessment of your skills	
Sentence Starters				
The parts of the business plan that went well were.....	The part of the business plan that went well were.....because.....	The part of the business plan that went well were.....because..... The feedback I gathered showed.....therefore.....	The part of the business plan that went well were..... because..... The evidence for this is.....The most important feature of success was.....	The part of the business plan that went well were..... because..... The evidence for this is.....The most important feature of success was.....
The skills I demonstrated well in the presentation were	The part of the presentation that went well were.....because.....	The part of the presentation that went well were.....because..... The feedback I gathered showed.....therefore.....	I think the plan and the pitch were successful because..... Next time I will.....	I think the plan and the pitch were successful because..... Next time I will..... In order for my plan to be a success I must make sure that.....

The Theory – Evaluation skills

- In order to evaluate you must gain feedback from your peers on; the business content of the pitch; the presentation and communication skills demonstrated.
- Reviewing plan and personal performance, reflecting on feedback gathered from others: WWW, e.g. clear synopsis of plan, demonstration of skills. EBI e.g. to clearly explaining plan; to practice more
 - Recommending improvements: to the contents of the plan; to own performance.

INTRODUCTION

The promotional mix refers to the different elements that a business can use to encourage customers to buy its products.

KEY WORDS

Advertising	A business pays for space in prime media to communicate with the public about their products and services
Message	What you want to tell the customer
Medium	How you choose to advertise to your target customer
B2B Market	Business to business market – where a company sells a product to another company
B2C Market	Business to consumer market in which companies sell products directly to the public
Sponsorship	When you pay to display your brand at an event
Press release	Issuing a press release involves writing a statement which can be used by journalists as part of a news story.

FURTHER LINKS

<http://www.bbc.co.uk/schools/gcsebitesize/business/marketing/productlifecyclerev1.shtml>

EXAM TIPS:

For the scenario you will need to consider their promotional mix and the success of each element of that mix.

The elements of the promotional mix are

Promotional method	Explanation and examples
Advertising – To inform the public of your product or service	moving image (TV advert), print (newspaper), ambient (side of buses), digital (websites) and audio (radio/podcasts)
Sales Promotion – used to encourage customers to purchase your product or service	Price promotion (buy one get one free), coupons, competitions, money refunds and loyalty incentives (reward cards)
Personal Selling – A representative of the company interacts directly with a potential customer	Face to face, telephone, email and video or web conferencing.
Public Relations - The activities a business carries out to place information in the media without paying for it.	Exhibitions, sponsorship and press releases
Direct Marketing – This is when a business communicates directly with a customer.	Direct mail (letters), mail order catalogues

KEY FACTS TO MEMORISE

- There are 5 different ways to promote.
- A business will not just use 1 promotion method but a mix.
- The promotional mix must reflect the target market.
- There are 3 objectives to promotion.
- The context is always the most important factor to consider when choosing your promotional mix.

EXAM QUESTIONS

- Suggest how this promotion would lead to an increase in net profit.
- Identify one advantage and one disadvantage for each of the promotional methods in the table.
- State the meaning of the two basic aspects of advertising.
- Identify the two most important factors xxxxxx should consider when deciding which promotional method to use.
- Recommend one of the two promotional methods for 'Waffling On' to use at the next festival. Your recommendation should include:
 - The benefits of your chosen recommendation
 - How consumers may react to the promotional method
 - The impact on xxxx's sales

STRETCH

Justify the promotional mix of a company. Why do they use what they use? How does it reach their target market.

INTRODUCTION

All businesses keep financial documents to keep customer records, track their funds, and because HMRC tell them to.

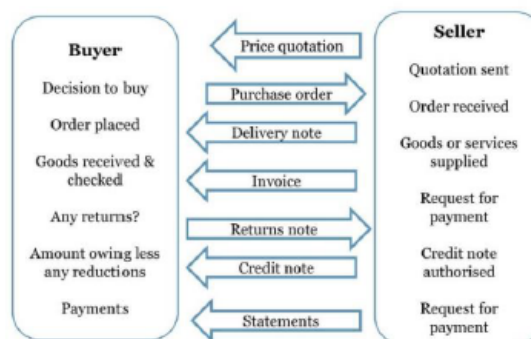
KEY WORDS

Name of Document	When Used?	Why Used?
1. Purchase Order	When you want to order goods from a supplier	This document lists all of the goods that you want to buy from the supplier or the services that you require. It is a legal offer to buy the goods.
2. Delivery Note	When the goods are delivered	This lists all of the goods which HAVE been delivered and lists items which have NOT been delivered as they were not available. The business needs to check the delivery against this document to make sure that everything listed has arrived.
3. Goods Received	When staff have checked the delivery	This document gives confirmation that all the items listed have been delivered.
4. Invoice	A bill sent to the customer when goods have been delivered	This tells you how much you owe and gives a deadline for payment. It explains the different ways that you can pay.
5. Receipts	Proof of purchase	This lists all of the items bought, how much they cost and is proof of payment. You should keep this in case items need to be returned.
6. Statement of account	A list of all transactions between customer and supplier	This is a record of all of the goods delivered and payments made, refunds issued, and money owed over a period of time.
7. Credit Note	If you have returned goods to a supplier	A document that shows that you have returned goods and that the supplier owes you money - you can only use this to buy goods and services from the same supplier.

EXAM TIPS:

You must know the flow of documents. Who send what document and who to.

Flow of Documents



Methods of Payment

Method of payment	Explanation
Cash	<ul style="list-style-type: none"> No technology needed to process the payment Useful for smaller transactions Can get lost / stolen You could give the wrong change
Credit Card	<ul style="list-style-type: none"> Customer can buy now and pay later Customer can pay in instalments Customer will have to pay interest if they don't pay off the whole amount in the first month The business has to pay a cost for each transaction (a Surcharge)
Debit Card	<ul style="list-style-type: none"> Similar to a credit card but linked to a bank account The customer can't go into debt They can only spend what they have in the bank
Direct Debit	<ul style="list-style-type: none"> Regular payments from the customers' bank to the business It is automatic every month so the customer can't forget The amount can vary depending on use (e.g. payments for a mobile phone contract changing with the number of minutes used)
Use of Technology	<ul style="list-style-type: none"> E.g. PayPal, Apple Pay, Online banking Good for online transactions Payments can be made using mobile technology

EXAM QUESTIONS

- Suggest how this promotion would lead to an increase in net profit.
- Identify one advantage and one disadvantage for each of the promotional methods in the table.
- State the meaning of the two basic aspects of advertising.
- Identify the two most important factors xxxxxx should consider when deciding which promotional method to use.
- Recommend one of the two promotional methods for 'Waffling On' to use at the next festival. Your recommendation should include:
 - The benefits of your chosen recommendation
 - How consumers may react to the promotional method
 - The impact on xxx's sales

STRETCH

You must know the advantages and disadvantages to each payment method

What happens if the flow of documents goes wrong or are inaccurate?

INTRODUCTION

All businesses have different costs associated with the business operating, the business will need to know these costs to be able to work out its total revenue and profit levels.

KEY WORDS

Start-up costs	The amount of money spent setting up a business before it starts trading
Operating Costs	Also known as running costs, money spent on a regular basis to keep a business running
Income	Money which is paid into a business
Expenditure	Money that a business spends
Overheads	The everyday running costs of the business
Fixed costs/ indirect costs	Expenditure on items that does not change with the number items sold or produced e.g. rent and salaries
Variable costs/ direct costs	Costs which vary according to the number of items sold or produced e.g. raw materials
Total Cost	The total amount of money spent running a business over a certain period of time
Revenue	Money coming into the business from the sale of goods or services
Profit	Occurs when revenue is more than expenditure

FURTHER LINKS

<https://www.bbc.com/bitesize/guides/zxq2hyc/revision/2>
<https://www.tutor2u.net/business/blog/revision-quiz-costs-revenues-and-profits>

EXAM TIPS:

1. Make sure you know how to rearrange the formulas.
2. Always double check your calculations

Key Calculations

When performing the key calculations always show your working.

1. Total variable cost = variable cost per item x number produced/sold
2. Total cost = fixed cost + variable cost
3. Revenue = number of sales x price per unit
4. Profit = revenue – total cost

In the exam you will have to rearrange the formula to find the right answer.

KEY FACTS TO MEMORISE

1. Fixed Costs do not change ACCORDING TO THE NUMBERS PRODUCED.
2. Variable Costs do change ACCORDING TO THE NUMBERS PRODUCED.
3. Fixed Costs are also known as Indirect Costs, as they are not directly related to the making of the product
4. Variable Costs are also known as Direct Costs as they are directly related to the making of the product.

Term	Explanation	Examples
A) Fixed Assets	These are assets that do not change in the short term, usually larger, expensive items. They are things that are used to help the business to make money.	A factory Machinery A Van
B) Current Assets	Things that could be turned into cash quickly if necessary. These will change every time you make or sell an item.	Stock Cash in the bank
C) Current Liabilities	Anything which needs to be paid back within a year - these are short-term liabilities.	Overdraft Trade Credit
D) Long Term Liabilities	Debts which can be paid off over a longer period of time.	Bank Loans Mortgage
E) Capital	The amount of money that was invested by the owners to start / grow the business.	Owner's savings Share capital Retained Profit

EXAM QUESTIONS

1. If variable costs per unit are £5 and 45 items are sold what is the total variable cost?
2. Using the total variable cost from your answer in 1, if fixed costs are £400 what is the total cost?
3. Calculate the sales revenue for 45 items sold if the selling price is £9.50 per item.
4. Calculate the profit for the business above.
5. Identify three fixed and three variable costs
6. Explain the difference between fixed and variable costs.

STRETCH

Know the differences between the names of the different profit and costs.

Term	Definition
1. Turnover (Net sales)	Total revenue over a given period of time Formula: Price x Quantity sold
2. Cost of Sales	How much it costs to make the products you are selling (raw materials etc)
3. Gross Profit	The money made by the business after taking off the cost of making the goods. Formula: Gross profit = Turnover - Cost of sales
4. Expenses	The other (indirect costs) of running the business e.g. Lighting, Heating, Admin, Advertising
5. Net Profit	The amount of money left after all expenses have been deducted. Formula: Net profit = Gross Profit - Expenditure

INTRODUCTION

This topic looks at the income statement and balance sheets of a business and their importance in business analysis.

KEY WORDS

Capital	Money spent by the business on items which should last a long time (assets)
Cost of sales	The cost of producing a product
Gross profit	The money made from selling a product (sales revenue) after the cost of producing the product (cost of sales) has been deducted
Net profit	The money made from selling a product after all costs have been deducted from the gross profit.
Income statement	Shows how a business has performed financially over a period of time. Also known as a profit and loss account.
Balance Sheet	Show how much money has been invested in the business and what it has been spent on. Total assets and total liabilities should balance
Assets	Items that a business buys
Debtors	people who owe money to the business for goods and services received
Trade receivables	People the business owes money to for supplies
Liabilities	Amounts of money a business owes
Share capital	The amount of money invested in the business by the shareholders.

FURTHER LINKS

<https://www.tutor2u.net/business/reference/income-statement-introduction>
<https://www.tutor2u.net/business/reference/balance-sheet-revision-presentation>

**EXAM TIPS:
Key Formulas**

Gross profit = revenue – cost of sales

Net profit = gross profit – expenditure

Income Statement Example

Paul's Guitar Shop, Inc. Income Statement For the Year Ended December 31, 2015			
Revenues			
Merchandise Sales	\$	24,800	
Music Lesson Income		3,000	
Total Revenues:			\$ 27,800
Expenses			
Cost of Goods Sold		10,200	
Depreciation expense		2,000	
Wage expense		750	
Rent expense		500	
Interest expense		500	
Supplies expense		500	
Utilities expense		400	
Total Expenses:			14,850
Net Income	\$		12,950

Balance sheet example

Paul's Guitar Shop, Inc. Balance Sheet December 31, 2015					
Assets			Liabilities		
Current Assets			Current Liabilities		
Cash	32,800		Accounts Payable		49,000
Accounts Receivable	300		Accrued Expenses		450
Prepaid Rent	1,000		Unearned Revenue		1,000
Inventory	39,800		Total Current Liabilities		50,450
Total Current Assets	73,900		Long-term Liabilities		99,500
			Total Liabilities		149,950
Long-term Assets			Owner's Equity		
Leasehold Improvements	100,000		Owner's Equity		
Accumulated Depreciation	(2,000)	98,000	Retained Earnings		11,950
Total Long-term Assets		98,000	Common Stock		10,000
Total Assets:		171,900	Total Owner's Equity		21,950
			Total Liabilities and Owner's Equity		171,900

EXAM QUESTIONS

1. State 3 Fixed Assets
2. State 3 Current Assets
3. Explain the difference between Gross Profit and Net Profit
4. Explain how a business could improve Gross Profit
5. Calculate the balance sheet from a set of figures.

Key Facts to Remember

1. The Balance sheet will always have 2 figures that are the same
2. The difference between Gross Profit and Net Profit is that Gross Profit is before the expenses have been taken off.
3. These Documents are produced from the financial documents

STRETCH

Analyse the different methods a business could reduce its Current Liabilities

Rhonda would like to invest £15,000 in a business. The table shows some financial information that Rhonda has gathered about two businesses. Assess which business would be the best investment for Rhonda

INTRODUCTION

This topic looks at the income statement and balance sheets of a business and their importance in business analysis.

PROFITABILITY

Cash is not the same as profit. **Cash** is the money that the business has on site or in the bank.

Cash Balance = Cash inflow - Cash Outflow

Profit: How much is left after all costs have been deducted from revenue OVER A PERIOD OF TIME

Profit Margin

The profit margin is the difference between revenue earned and the costs involved

To increase Profit margin: The business could

- Raise prices- -but customers might be put off
- Get cheaper raw materials - but quality could decrease
- Pay staff less - but staff would be de-motivated

Profitability Ratios

Gross Profit Margin

Gross Profit margin =

$$\frac{\text{Gross Profit}}{\text{Sales Revenue}} \times 100$$
 Gives gross profit as a % of sales

Net Profit Margin

Net Profit Margin =

$$\frac{\text{Net Profit}}{\text{Sales Revenue}} \times 100$$
 Gives net profit as a % of sales revenue
 E.g. if NPM was 15%, then 15p from every pound taken in sales is net profit

EXAM TIPS: Key Formulas

You must know the difference between Cash and Profit.
 You must know how to value a company using the balance sheet.
 You must know how to calculate the Liquidity Ratios.
 You must be able to interpret the Liquidity Ratios

Liquidity

Liquidity shows how able a business would be to pay off its debts.
 It is calculated using current assets and current liabilities

Current Ratio

Formula: Current assets ÷ Current Liabilities

Expressed as a ratio,
 Eg if the current ratio is 2:1, then for every one pound of debt the company has, it has two pounds worth of assets it could sell to pay off the debt

Liquid Capital Ratio

This is calculated the same as the current ratio, but Stock (inventory) is removed. This is because it is difficult to turn raw materials into finished items quickly if you need to pay off debts.

Formula (Current assets - Stock) ÷ current liabilities

Anything above 1:1 means that the business has enough assets which could be sold quickly if it needed to pay off debts

What does a low ratio mean?

A ratio of 0.5:1 would mean that for every £1.00 of debt, the business only has 50p worth of assets it could sell if it had to pay off the debt quickly. They would be in trouble if the debts were called in.

What does a High ratio mean?

A ratio of 1.75:1 would mean that for every £1.00 of debt, the business has £1.75p worth of assets it could sell if it had to pay off the debt quickly. They could keep operating even if all of the debts were called in.

EXAM QUESTIONS

1. Calculate the gross profit margin
2. Calculate the net profit margin
3. Explain the difference between Gross Profit and Net Profit
4. Explain how a business could improve Gross Profit
5. Explain how a business could improve Net Profit

Key Facts to Remember

1. Gross Profit Margin is a % of the sales before the expenses are taken off
2. Net Profit Margin the % of sales after the expenses have been taken off
3. Liquidity Ratios will show how quickly you can change your assets into cash

STRETCH

Analyse the different methods a business could reduce its Current Liabilities

Making sure you have enough cash is a must for any business.

FURTHER LINKS

<https://www.tutor2u.net/business/reference/income-statement-introduction>
<https://www.tutor2u.net/business/reference/balance-sheet-revision-presentation>

INTRODUCTION

This topic looks at ways businesses can plan and forecast to ensure they are successful and includes breaking even and cash flow forecasts

KEY WORDS

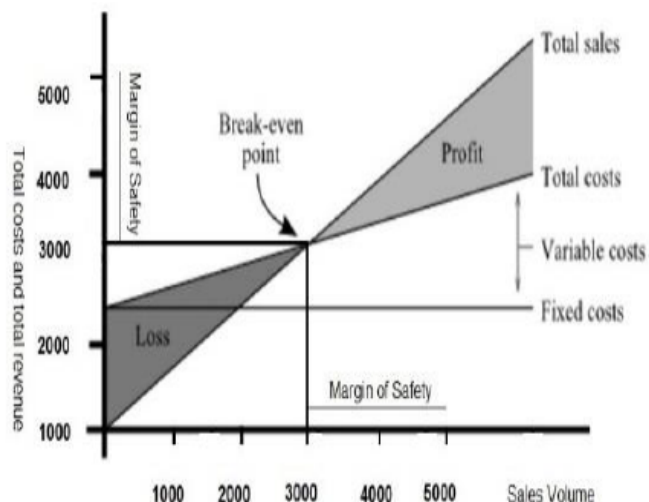
Break-even	This occurs when a business has made enough money through product sales to cover the cost of making them, there is no profit or loss.
Margin of safety	The amount by which sale would have to fall before the break-even point is reached.
Budgeting	Planning future expenditure and revenue targets with the aim of ensuring a profit is made.
Cash flow forecast	Predicts the net cash flow of a business over a period of time
Cash inflows	Money coming in to the business
Cash outflows	Money the business has spent
Net cash flow	The difference between cash inflow and cash outflow over a period of time (inflows – outflows)
Opening balance	The money in the business has at the start of a period of time (previous months closing balance)
Closing balance	Money the business has at the end of each period (net cash flow + opening balance)

FURTHER LINKS

<https://www.bbc.com/bitesize/guides/zt2xn39/revision/1>
<http://www.bbc.co.uk/schools/gcsebitesize/business/finance/cashflowrev3.shtml>

Break-even Formula and chart

$$\text{Break-Even Point (in units)} = \frac{\text{Fixed costs}}{\text{Selling price} - \text{variable costs}}$$

**Cash flow forecast**

£'000	Jan	Feb	Mar	Apr	May
Cash inflows					
Sales	46	67	73	36	80
Cash outflows					
Production materials	15	18	22	14	25
Wages & salaries	18	30	30	25	30
Marketing	6	1	5	3	5
Other overheads	12	4	5	13	5
Fixed assets		20			35
Total	51	73	62	3	100
Net cash flow	-5	-6	11	33	-20
Opening Balance	25	20	14	25	58
Closing Balance	20	14	25	58	38

EXAM QUESTIONS

1. If a product sells for £5, the variable cost is £3 and fixed costs are £300, what is the break-even point?
2. Calculate the net cash flow.
3. Define the Margin of Safety
4. Calculate the margin of Safety if the break-even is 200 units and the company produce 1000 units
5. What is the contribution if the selling price is £15 and the variable cost per unit is £5?

KEY FACTS TO MEMORISE

1. Contribution is the difference between the Selling Price and the Variable Cost.
2. The opening balance of 1 month is the closing balance of the previous month.
3. Cash Flow does not mean profit.

STRETCH

It is important that you can recommend strategies to improve break even.

What is the impact on the business if it puts up price?

Analyse the strategy of reducing costs as a way of improving net cash flow.

Malita is a sole trader who owns a small business producing drinks that she sells to local restaurants and bars. Her costs and revenue have changed over a four-year period. Discuss the effects on Malita's business of the changing costs and revenue over the four-year period.

Notes page

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Notes page

Y11 GCSE Exam Dates

Y11 Mock(s):

Y11 PPE(s):

Final GCSE(s):

Success Programme Sessions:

Revision Guide (if applicable):

Notes
