

Year 12-13 SIL Part A

Compulsory SIL

Task 1 – Review of year 12 topics

3.1. What is business?

3.1.1 Understanding the nature and purpose of business

1. What are the 6 business objectives may a business set itself?
2. What is the relationship between mission and objectives?
3. Why do businesses set objectives?
4. What is the formula for total revenue?
5. Define the term 'fixed costs'.
6. Define the term 'variable costs'.
7. What is the formula for total costs?

3.1.2 Understanding different business forms

1. Complete the table below.

	Definition	Benefits	Drawbacks
Sole traders			
Private limited company			
Public limited company			
Private sector organisation			
Public sector organisation			

Non-profit organisations (e.g. charities)			
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2. Explain the difference between unlimited and limited liability.
3. Define the term 'ordinary share capital'.
5. State the formula for 'market capitalisation'.
6. Define the term 'dividends'.
7. Explain the role of shareholders in a business.
8. Explain why a shareholder may invest in a business.
9. Give three factors that may influence the share price of a business.
10. Explain why the objectives of a public limited company may be different to the objectives of a sole trader using example objectives to support your explanation.

3.1.3 Understanding that businesses operate within an external environment

1. Give the 7 external factors that can influence demand and costs.

3.2 Managers, leadership and decision making

3.2.1 Understanding management, leadership and decision making

1. What are the 5 roles of the manager?
2. Draw and label the Tannenbaum Schmidt continuum.
3. Draw and label the Blake Mouton grid.
4. List the different leadership styles that exist.

3.2.2 Understanding management decision making

1. Define what is meant by 'scientific decision making' and given an example.
2. Define what is meant by 'intuitive decision making' and given an example.
3. Draw a decision tree below for a decision of your choice and calculate the expected values and net gains.
4. Give the five key influences that could influence decision making in a business.

3.2.3 Understanding the role and importance of stakeholders

1. Draw and label the stakeholder mapping theory below.
2. List 3 different influences on the businesses relationship with its stakeholders.
3. What are the different 5 different ways a business can manage its relationship with different stakeholders.

3.3 Decision making to improve marketing performance

3.3.1 Setting marketing objectives

1. List 5 different marketing objectives a business may set itself.
2. List two internal and external influences on marketing objectives.

3.3.2 Understanding marketing and customers

1. Give two types of primary research.
2. Give two types of secondary research.
3. Give two benefits of using qualitative data.
4. Give two limitations of using quantitative data.
5. Draw below a marketing map for the soft drinks industry.
6. Give the formula for market share.
7. Give the formula for market growth.
8. List the three different types of sampling.
9. Explain what is meant by a strong positive correlation.
10. Explain what is meant by a weak negative correlation.
11. Explain what is meant by the term 'confidence interval'.
12. Explain what is meant by the term 'extrapolation'.
13. What does it mean if a business has a price elasticity demand value of -0.8? What does this mean for the business?
14. What does it mean if a business has a price elasticity demand value of -1.8? What does this mean for the business?

3.3.3 Making marketing decisions: segmentation, targeting and positioning

1. Give the four different ways a market can be segmented.
2. What is the difference between a niche and a mass market?

3.3.4 Making marketing decisions: using the marketing mix

1. Define the marketing mix (including the 7 P's).
2. Draw the Boston Matrix below.
3. Draw the Product Life Cycle below.
4. Explain the difference between penetration pricing and price skimming.
5. Give three promotional methods that could be included in the promotional mix.
6. Give three distribution channels that could be used by a business.
7. What is meant by the term 'e-commerce'.

3.4 Decision making to improve operational performance

3.4.1 Setting operational objectives

1. Give the 6 different operational objectives that a business may set itself.
2. Give two internal and two influences on the operations objectives.

3.4.2 Analysing operational performance

1. Give the formula for labour productivity.
2. Give the formula for unit costs.
3. Give the formula for capacity utilisation.

3.4.3 Making operational decision to improve performance: increasing efficiency and productivity

1. Define 'capacity'.
2. Define 'lean production'.
3. Give two benefits and two difficulties of using lean production.
4. What is meant by the optimal resource mix?
5. How can technology be used to improve operational performance?

3.4.3 Making operational decision to improve performance: quality

1. What is meant by the term quality?
2. What is the difference between quality control and quality assurance?
3. Give two benefits of improving quality.
4. Give two consequences of poor quality.

3.4.5 Making operational decisions to improve performance: managing inventory and supply chains

1. Define the term 'mass customisation'.
2. Give three ways a business can manage supply to match demand.
3. Draw and fully label an inventory control chart below.
4. List 5 influences on the choice of supplier.
5. Define the term 'outsourcing'.

3.5 Decision making to improve financial performance

3.5.1 Setting financial objectives

1. Give 5 financial objectives a business may set itself.
2. Give two internal and external influences on the setting of financial objectives.

3.5.2 Analysing financial performance

1. Define the term 'budget'.
2. Explain what a 'favourable variance' is.
3. Explain what an adverse variance is.
4. Draw and complete a cash flow forecast below.
5. Explain what a 'payable' is.
6. Explain what a 'receivable' is.
7. Draw and label a breakeven chart below.
8. What is the formula used to calculate breakeven output.
9. Give two benefits of using breakeven analysis.
10. Give two drawbacks of using breakeven analysis.

3.5.3 Making financial decisions: sources of finance

1. Define and give one benefit and one drawbacks of 'debt factoring'.
2. Define and give one benefit and one drawbacks of 'overdrafts'.
3. Define and give one benefit and one drawbacks of 'retained profits'.
4. Define and give one benefit and one drawbacks of 'share capital'.
5. Define and give one benefit and one drawbacks of 'loans'.
6. Define and give one benefit and one drawbacks of 'venture capital'.

3.5.4 Making financial decisions: improve cash flow and profits

1. Give 4 ways that a business can improve its cash flow.
2. Give 4 ways that a business can improve its profits.

3.6 Decision making to improve human resources decision making

3.6.1 Setting operational objectives

1. Give 6 HR objectives that a business may set itself.
2. Give two internal and two external influences on the setting of HR objectives.

3.6.2 Analysing human resource performance

1. Give the formula for labour turnover.
2. Give the formula for labour retention rates.
3. Give the formula for labour productivity.
4. Give the formula for labour turnover.
5. Give the formula for employee costs as a percentage of turnover.
6. Give the formula for labour cost per unit.

3.6.3 Improving organisational design and human resource flow

1. Summarise the Hackman and Oldham model below.
2. Give the 5 influences on organisational design.
3. Define the term 'delegation'.
4. Explain the difference between centralisation and decentralisation.
5. Give 5 elements included in the human resource flow.

3.6.4 Making human resources decisions: improving motivation and engagement

1. Give the 5 motivational theories that exist.
2. Give four financial methods of motivation.
3. Give two benefits of having a motivated workforce.

3.6.5 Making human resource decisions: improving employer-employee relations

1. Explain what is meant by the term 'trade unions'.
2. Explain what is meant by the term 'work councils'.

Potential Exam Questions Task

Rate your confidence on how well you think you could answer the following potential exam questions. Highlight/underline in green if you feel very confident, orange if you feel slightly confident and red if you feel not confident at all.

3.1. What is business?

Do you think that Business A was right to set up as a public limited company rather than a private limited company? Justify your view.

Do you think that shareholders have had the biggest influence on Business A's decision to expand in to global markets? Justify your view.

3.2 Managers, leadership and decision making

Evaluate the possible implications of Manager A's change in leadership style using the Blake Mouton grid. Justify your view.

Evaluate the possible implications of Manager A's change in leadership style using the Tannenbaum Schmidt continuum. Justify your view.

Evaluate the value of Business A using decision trees to aid their decision making. Justify your view.

3.3 Decision making to improve marketing performance

To what extent do you think that product is the most important element of Business A's marketing mix. Justify your view.

To what extent do you think that primary market research has helped Business A more than secondary market research? Justify your view.

To what extent do you think it was a good idea for Business A to change its positioning in the market? Justify your view.

3.4 Decision making to improve operational performance

To what extent do you think that adopting lean production is guaranteed to lead to higher profits. Justify your view.

Do you think that outsourcing was the best thing for Business A to do to help match their supply to demand? Justify your view.

3.5 Decision making to improve financial performance

Evaluate the best ways for Business A to improve their current breakeven output.

Do you think that debt factoring is the best way for business A to improve their cash flow? Justify your view.

Do you think that Business A was right to use venture capital rather than a loan to fund the investment into new technology? Justify your view.

3.6 Decision making to improve human resources decision making

To what extent should Business A be concerned about the rise in the company's unit labour costs? Justify your view.

To what extent will a decision to decentralise enable Business A to achieve its HR objectives? Justify your view.

To what extent is the decision by managers at Business A to use non-financial methods of motivation for its employees the best way to improve its competitiveness. Justify your view.

Task 2 – Business Winners & Losers

View the link/s given for each business and complete the tables with detailed findings;

Business One: Zara

Link: <http://uk.businessinsider.com/why-zara-is-crushing-the-retail-industry-2016-5>

What has happened, which topics from Year 12 does this link to?	
Who have or may be affected e.g. stakeholders?	
Why has this happened? Analyse the situation	
Your judgement on the situation.	
Questions?	

Business Two: Disney

Link: <https://www.thewaltdisneycompany.com/disney-launches-innovative-new-e-commerce-destination-prototype-store-design/>

<p>What has happened, which topics from Year 12 does this link to?</p>	
<p>Who have or may be affected e.g. stakeholders?</p>	
<p>Why has this happened? Analyse the situation</p>	
<p>Your judgement on the situation.</p>	
<p>Questions?</p>	

Business Three: Lush

Link: <https://www.theodysseyonline.com/why-lush-cosmetics-is-business-genius>

<p>What has happened, which topics from Year 12 does this link to?</p>	
<p>Who have or may be affected e.g. stakeholders?</p>	
<p>Why has this happened? Analyse the situation</p>	
<p>Your judgement on the situation.</p>	
<p>Questions?</p>	

“Are WH Smith the next name to disappear from the High Street?”

<https://www.bbc.co.uk/news/business-44274654>

You are to produce an essay that looks at the current state of WH Smith incorporating the following:

Paragraph 1

Define a key term relevant to the question

Paragraph 2

Point – answer the question directly with a knowledge point (*To some extent, I think WH Smith may be the next name to disappear from the High Street because...*)

Evidence – use evidence from the article to support your knowledge point (*In the article it states...*)

Analysis – develop 3 chains of logical argument to analyse why the point you have made will lead to the failure of WH Smith (*this means... therefore... as a result...*)

Link back to question – summarise your point with evaluation whilst linking back to the question

Paragraph 3

Point – answer the question directly with a knowledge point (*However, to some extent I don't think WH Smith will be the next name to disappear from the High Street because...*)

Evidence – use evidence from the article to support your knowledge point (*In the article it states...*)

Analysis – develop 3 chains of logical argument to analyse why the point you have made will lead to the failure of WH Smith (*this means... therefore... as a result...*)

Link back to question – summarise your point with evaluation whilst linking back to the question

Paragraph 4

Answer the question with a judgement (*Overall, I think WH Smith will/will not be the next big name to disappear from the high street.*)

Justify judgement including a summary of your previous point and an additional point to sway your argument (*I think this because... I also think this because...*)

It depends on – think about why your judgement may change/why others may disagree with you (*However, whether they do survive or not may depend on...*)

Task 3 – Preview work

Within the first couple of weeks of you returning as a year 13 student you will look at topic 3.7.3 assessing the existing internal position of a business to assess strengths and weaknesses – overall performance. In this topic you will look at different ways to assess Business performance. To help you do this you will be introduced to two new theories; Kaplan and Norton’s Balanced Scorecard and Elkington’s Triple Bottom line. In preparation for learning on this, please complete the following:

Watch the video tutorial on Kaplan and Norton and answer the questions that follow:

<https://www.tutor2u.net/business/reference/business-strategy-kaplan-nortons-balanced-scorecard>

1. Draw and fully label Kaplan and Norton’s Balanced Scorecard
2. What is the focus of the financial perspective?
3. Give an example of a KPI that may be used in regards to the financial perspective.
4. What is the focus of the customer perspective?
5. Give an example of a KPI that may be used in regards to the customer perspective.
6. What is the focus of the internal processes perspective?
7. Give an example of a KPI that may be used in regards to the internal processes perspective.
8. What is the focus of the organisational capacity perspective?
9. Give an example of a KPI that may be used in regards to the organisational capacity perspective.
10. Give two benefits associated with Kaplan and Norton’s Balanced Scorecard.
11. Give two drawbacks associated with Kaplan and Norton’s Balanced Scorecard.

Watch the video tutorial on Elkington's Triple Bottom Line and answer the questions that follow: <https://www.tutor2u.net/business/reference/corporate-social-responsibility-elkingtons-triple-bottom-line>

1. Draw and fully label Elkington's Triple Bottom Line theory.
2. What does profit measure?
3. What does people measure?
4. What does planet measure?
5. Give two benefits associated with Elkington's Triple Bottom Line.
6. Give two drawbacks associated with Elkington's Triple Bottom Line.

Strongly recommended SIL

Use the link below to read and understand all of the different theories that you could be questioned on in the final exams. Some you have already studied and others you will study in year 13. From this, produce your own revision booklet/revision cards on each theory including:

- What the theory shows
- When it can be used
- The pro's and con's of using each theory (additional research will be required to complete this bullet point)

<https://filestore.aqa.org.uk/resources/business/AQA-7131-7132-TG-MTF-HB.PDF>