

# Summer Independent Learning – A Level Business Studies (AQA Exam Board)

## Compulsory SIL

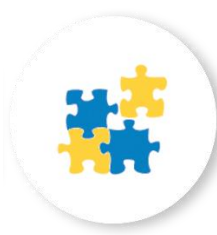
By completing these activities as part of your Summer Learning, you will gain:

- a realistic expectation of the Business Studies at A Level and the range of topics covered
- an appreciation of the fact that there will be lots of new content, even if you have studied GCSE Business Studies.
- an appreciation of the fact business includes numerical skills
- some understanding of the skills that you will need to develop over the 2 years of study
- an ability to contribute in class with real world examples
- an inquisitive mind
- an increased ability to hit the ground running at the start of the academic year.

Completing this task will also help you develop the following skills:



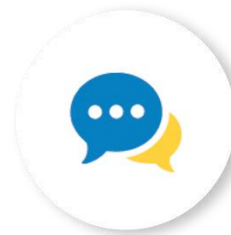
Organisation



Problem Solving



Initiative



Communication

Please make sure that you complete all of the tasks fully, and bring your work for review by your teacher to your first Business Studies lesson.

# WORKSHEET 1



Case Study Material – Provided by Time2resources

A good business student not only knows their theory, i.e. the content that is on the specification, but also thinks business. Business Studies is a subject that surrounds us all day every day. We start to spot the actions taken by businesses and ask “Why?”; we start to question how we interact with business and the factors that influence our decisions; we start to question what is happening in society and the economy. A good business student is inquisitive.

Let’s start by thinking about what you already know and what your perceptions are about a key business, Aldi, the case study to be used for your Summer Learning work.

**TASK:** In less than 15 words sum up what you think about Aldi supermarket in the box below.

**TASK:** Who are the key players in the UK supermarket industry? List them in the box below.



**TASK:** The pie chart below shows what % of the market the 6 biggest UK supermarket chains control. Use your existing knowledge of the industry to try and identify which segment of the chart represents which supermarket chain. 10% of the chart can just be labelled 'other'.

Market share in the UK supermarket industry



Check your answer, Supermarkets.

[https://drive.google.com/open?id=1ebzCf6\\_2Uu7rNbUmBAJ-ayEWMYhHy-Rv](https://drive.google.com/open?id=1ebzCf6_2Uu7rNbUmBAJ-ayEWMYhHy-Rv)

**TASK:** Complete the blanks in the text:

Market share is the % of an industry controlled by one business. In the example on the previous page we could say that: \_\_\_\_\_ is the dominant business in the UK supermarket industry with a market share of \_\_\_\_ %. We call this *application*, the skill of applying our knowledge to a specific business or industry.

The supermarket industry can be described as competitive. Explain what you think this means in the box below:

A business will therefore take actions to try and gain market share by having a **COMPETITIVE ADVANTAGE**. This means a feature or features of the business that allows it to perform better than others in the industry.

**Watch the first part (approx. 15 mins.) of the Channel 5 documentary “Inside Aldi”.** <https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket/>

**TASK:** Draw a spider diagram below to summarise any actions that you think Aldi takes to gain a competitive advantage over other supermarkets.

Whilst watching this video you were introduced to some key business concepts.

The **MARKETING MIX** is the combination of elements of marketing that are used to influence customers buying habits. The **SEVEN Ps** of the marketing mix can be summarised as:

**Product:** the good or service that the customer buys

**Price:** how much the customer pays for the product

**Place:** how the product is distributed to the customer

**Promotion:** how the customer is found and persuaded to buy

**People:** the people who make contact with customers in delivering the product

**Process:** the systems and processes that deliver a product to a customer

**Physical:** the elements of the physical environment the customer experiences

**TASK:** Write a sentence to describe each of the 7P's in relation to Aldi.

Product:

Price:

Promotion:

Place:

People:

Process:

Physical:

Aldi gains a competitive advantage by charging low prices. It achieves this by making cost savings. **Watch this short YouTube video to learn about total costs.**

YouTube [https://www.youtube.com/watch?v=CJEkTyj\\_3Fg&t=5s](https://www.youtube.com/watch?v=CJEkTyj_3Fg&t=5s)

**TASK:** Summarise the key points from the video below:



### **KEY TERMS GLOSSARY.**

In Business Studies you will learn a lot of new terminology. In this first worksheet you have been introduced to 6 key terms:

- Market share
- Competitive advantage
- Marketing mix
- Total costs
- Fixed costs
- Variable costs

**TASK:** Add these terms to a key term glossary /list. Use the following website to write full definitions of these words. [www.tutor2u.net/business](http://www.tutor2u.net/business)

You will also be expected to gain confidence in quantitative skills. In this worksheet you have been introduced to quantitative skill (QS) 9: *interpret, apply and analyse information in written, graphical and numerical forms.*

# WORKSHEET 2

In year 1 of Business Studies A Level a lot of the content covered is about TACTICS. These are short-term actions taken by a business. In year 2 you study more about STRATEGY. These are the medium to long-term actions taken by a business.

In the first part of the programme you watched, a statement made about the growth of Aldi in the UK was: "It is nothing but good for the supermarket industry and for shoppers". Here the industry would include competitors and suppliers. Shoppers would include customers and the community. These are called STAKEHOLDER GROUPS. A stakeholder is anyone who is affected by or interested in the actions of a business.



**TASK:** Consider the extent to which you agree with the statement 'Aldi's growth is nothing but good', based on each stakeholder's point of view. Justify your decisions.

Stakeholder	Strongly agree							Strongly disagree		
Competitors	10	9	8	7	6	5	4	3	2	1
Justification										
Suppliers	10	9	8	7	6	5	4	3	2	1
Justification										
Customers	10	9	8	7	6	5	4	3	2	1
Justification										
Community	10	9	8	7	6	5	4	3	2	1
Justification										

An important skill to practice and develop over your studies is the ability to make judgements and fully justify these. We call this skill *evaluation*.

**TASK:** Watch the second part (approx. 15 mins.) of the Channel 5 documentary “Inside Aldi”.

<https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket/>

Add to your previous spider diagram any more actions that you think Aldi takes to gain a competitive advantage.

**TASK:** What evidence is there of Aldi successfully cutting costs and increasing efficiency? Briefly outline this in the box below.

A topic you will study in year 1 is motivation. MOTIVATION is the reasons why people behave in the manner that they do. Businesses want to try and increase employee’s motivation through their ‘will to work’. A business that can motivate the workforce is likely to gain a competitive advantage. Motivation methods can take the form of financial incentives e.g. bonuses and non-financial incentives e.g. increased responsibility.

**TASK:** What evidence is there from the video of how Aldi tries to motivate their workforce? Briefly outline this below:



Business can sometimes be a power battle between different stakeholders. Big businesses can use their power to influence suppliers. This can be in the form of forcing suppliers to offer lower prices or, in the video you have viewed, forcing suppliers to stop supplying products to a competitor.

**TASK:** Why do you think big businesses are able to have power over suppliers? Briefly explain in the box below:

ETHICS is behaving in a way that is thought to be morally correct. To what extent do you think the big supermarkets behaved in an ethical manner when faced with the threat of Aldi entering their market?



**TASK:** Using the information from the video, outline your viewpoint, and justify your view.

BRANDING is a promotional method that involves the creation of an identity for the business that distinguishes the business and its products from its competitors. How important is branding to you?

**TASK:** For each of the following products, rate how important the brand is to you: 10 being *I only ever buy one brand* and 1 *I will buy any brand*.

Product	Importance of brand 10 - 1	What and why
Baked beans		
Cola drink		
Bottled water		
Trainers		
Chewing gum		
Chocolate		
Pens		
Note pads		
Batteries		
Smart phone		

If you have a favourite brand what is it and why?

**TASK:** How do you think Aldi have challenged our perception of brands? Briefly explain your opinion below:

In 2013 Aldi had 300 stores in the UK. By 2017 this had increased to 600 stores and 874 stores by 2020. An important quantitative skill in Business is the ability to calculate percentage change.



**TASK:** Fill in the table below to show percentage change between 2013 and 2017, and 2017 and 2020.

2013	2017	2020
300 stores	600 stores	874 stores
% change:		

If you are unsure how to do this watch the following YouTube clip <https://www.youtube.com/watch?v=FOsrkEiZUlg>



## KEY TERM GLOSSARY

In this worksheet you have been introduced to 6 key terms.

- Tactics
- Strategy
- Stakeholders
- Motivation
- Ethics
- Branding

**TASK:** Add these terms to your key term glossary /list. Use the following website to write full definitions of these words. [www.tutor2u.net/business](http://www.tutor2u.net/business)

You will also be expected to gain confidence in quantitative skills. In this worksheet you have been introduced to quantitative skill (QS) 2 calculate, use and understand percentages and percentage change.

You have also had a brief introduction to the 4 functional areas of business:

- Marketing
- Finance
- People/ Human Resources
- Operations/Resource Management

You will study more about these functional areas in Year 1 of your business Studies course.

**TASK;** Use this link to write a summary of the function of the businesses functional areas listed.

<http://www.biznas.co.uk/business/functional-areas-of-business-explained/>

# WORKSHEET 3

All business courses cover legal structure or business ownership. This is the legal ownership that a business adopts. This can be unlimited liability businesses such as a sole trader or limited liability companies, be they publicly or privately owned.

UNLIMITED LIABILITY means that the personal assets of the owner(s) are at risk. This means if the business got into debts the owner may have to sell their personal possessions to cover this debt. For example, a sole trader may have to sell their family home and car to cover the debts of the business.

LIMITED LIABILITY means that the owners are only responsible for, and therefore only risk losing, the amount they have invested or promised to invest. Their personal belongings are safe.

Watch the third part (approx. 15 mins.) of the Channel 5 documentary "Inside Aldi".

<https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket/>

**TASK:** What is the legal ownership of Aldi? State this below:

--

**TASK:** What are the advantages and disadvantages of this over being a public limited company? Briefly explain below:

Advantages to Aldi	Disadvantages to Aldi

Businesses are affected by external influences. These are factors outside of the control of the business that can have a positive or negative affect on the business. For

example, they may affect costs or demand. Demand is the number of customers who are willing and able to buy goods at a given price at a given point in time.

**TASK:** Outline the factors which may lead to an increase in demand for Aldi's products.



**TASK:** One external factor affecting Aldi was the Financial Crisis of 2008/2009. Was the financial crisis a positive or negative influence for Aldi? Briefly explain and justify your answer below:

Businesses may target a specific market segment. MARKET SEGMENTATION is the process of categorising customers into groups with similar characteristics. One way of segmenting the market is by income or socio-economic group.

**Socio-economic groupings**

A – Higher managerial such as chief executives and directors

B – Intermediate managerial such as solicitors, accountants and doctors

C1 – Supervisory, clerical or junior professional such as teachers and junior managers

C2 – Skilled manual such as plumbers, electricians and carpenters

D – Semi and unskilled workers such as refuse collectors and window cleaners

E – Pensioners, casual workers, students and unemployed

<https://www.ukgeographics.co.uk/blog/social-grade-a-b-c1-c2-d-e> This link has further information if you need some more clarification.

**TASK:** What evidence is there of Aldi’s market segment having changed over time? Briefly explain below:

**Retrieval Practice (Review)**

What is the marketing mix?

PROMOTION includes advertising and sponsorship.

**TASK:** With reference to Aldi, write your own definition of each of these terms – ADVERTISING, SPONSORSHIP.

**Retrieval Practice (Review)**

**TASK:** What is meant by branding? Briefly explain below:

**TASK:** What evidence is there of Aldi using its branding to gain a competitive advantage? Briefly outline this below:





## KEY TERMS GLOSSARY

In this worksheet you have been introduced to 11 key terms.

- Legal structure/business ownership
- Limited liability
- Unlimited liability
- Private limited company
- Public limited company
- Market segmentation
- Socio-economic group
- External influences
- Demand
- Advertising
- Sponsorship

**TASK:** Add these terms to your key term glossary /list. Use the following website to write full definitions of these words. [www.tutor2u.net/business](http://www.tutor2u.net/business)

# WORKSHEET 4

Many established businesses will have an objective of growth. This can be done internally (ORGANICALLY) where the business grows in its own right e.g. opening new stores or expanding its product range. Or it can be done externally (INORGANICALLY) by acquiring other businesses.

Watch the fourth part (approx. 15 mins.) of the Channel 5 documentary “Inside Aldi”.

<https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket/>



**TASK:** Spaced Practice of Key Knowledge.

Aldi has achieved growth. Write a paragraph to explain how Aldi has achieved growth and what evidence there is of this. Your challenge is to include as many of these terms in your paragraph as you can – show off your knowledge of business!

- Market share
- Competitive industry
- Competitive advantage
- Marketing mix
- Organic growth
- Inorganic growth

E-COMMERCE is the selling of goods and services over the internet. Unlike other major supermarkets, Aldi does not offer e-commerce for food and drink. What are the advantages and disadvantages of this to Aldi?

Advantages	Disadvantages

SWOT ANALYSIS looks at the internal strengths and weaknesses and external opportunities and threats to a business. One threat is that of new entrants to the market. Tesco opened Jacks and Amazon has entered the grocery market.

**TASK:** How worried should Aldi be about these new entrants? Mark your response on the spectrum below.



Now justify your position on the spectrum:

CORPORATE SOCIAL RESPONSIBILITY (CSR) is a business' willingness to accept its ethical obligations to all of its stakeholders.

The ability to carry out independent research and read around your subject are important skills in all subjects in the sixth form and beyond.



**TASK:** Carry out some research into Corporate Social Responsibility and Supermarkets using these sources:

Oxfam study <https://www.oxfam.org/en/take-action/campaigns/end-suffering-behind-your-food/supermarkets-scorecard> and <https://www.aldi.co.uk/corporate-responsibility>



**TASK:** How would you rate Aldi's CSR? Justify your answer using these resources in the box below:



## KEY TERMS GLOSSARY

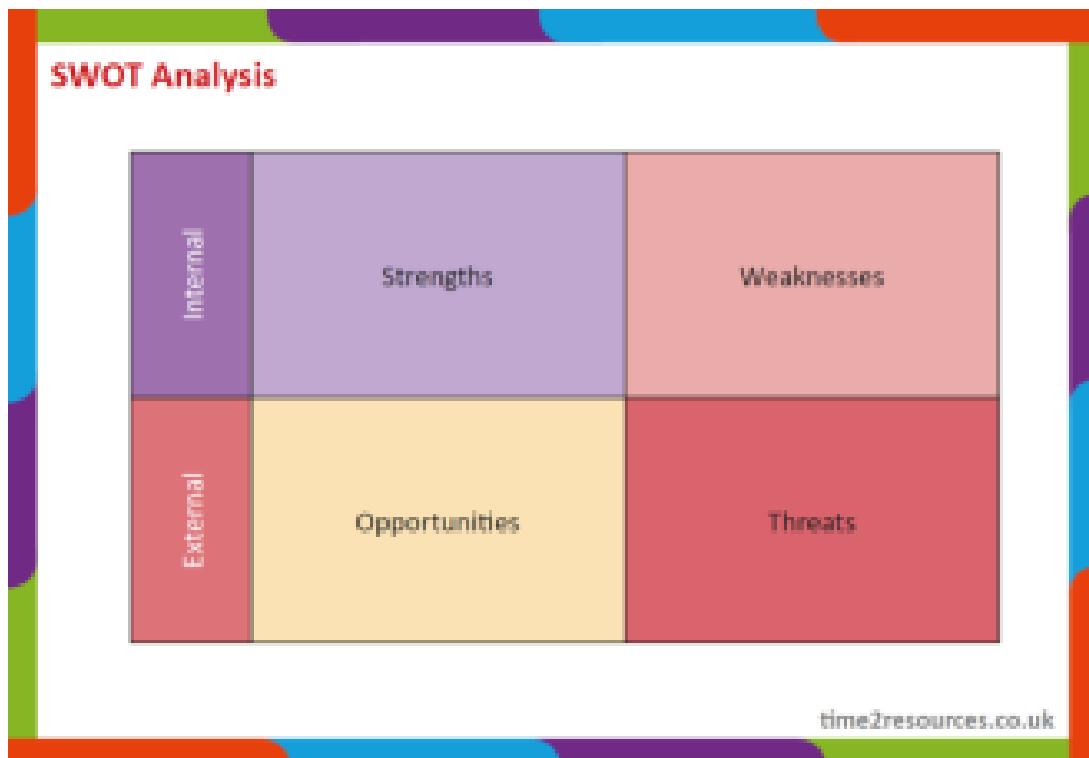
In this worksheet you have been introduced to 6 key terms:

- Growth
- Internal (organic) growth
- External (inorganic) growth
- E-commerce
- SWOT analysis
- Corporate social responsibility

**TASK:** Add these terms to your key term glossary /list. Use the following website to write full definitions of these words. [www.tutor2u.net/business](http://www.tutor2u.net/business)



**CONSOLIDATION TASK:** Consolidate all of your notes from the four worksheets into a SWOT analysis for Aldi. You could produce this on the computer or by drawing it out on a large piece of paper.





**EXTENSION TASK:** Another Channel 5 documentary is “Inside Waitrose”. Watch this to complete a comparative study looking at the similarities and disadvantages, summarising your key findings below:

<https://www.channel5.com/show/inside-waitrose/>

# Strongly Recommended SIL

Use the link here <https://filestore.aqa.org.uk/resources/business/AQA-7131-7132-TG-MTF-HB.PDF> to read and understand all of the different theories up to and including page 39. 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)