

Year 12-13 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' and give an example.
6. Define the term 'variable costs' and give an example.
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			

Social enterprises			
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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. Explain the difference between 'management' and 'leadership'.
2. Draw and label the Tannenbaum Schmidt continuum.
3. List and explain the 4 different leadership styles that exist.

3.2.2 Understanding management decision making

1. Define what is meant by 'scientific decision making'.
2. Define what is meant by 'intuitive decision making'.
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.
5. Explain the difference between 'risk', 'rewards and 'uncertainty'.
6. Define 'opportunity cost'.

3.2.3 Understanding the role and importance of stakeholders

1. Draw and label the stakeholder mapping theory.
2. Give an example of when stakeholder needs may conflict.
3. What are the 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 the 5 different marketing objectives a business may set itself.

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. Give the formula for market share.
6. Give the formula for market growth.
7. Give two ways market size can be measured.
8. List and explain 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. Draw and fully label an example of a 'market mapping' diagram.

3.3.4 Making marketing decisions: using the marketing mix

1. Define the marketing mix (including the 7 P's).
2. Draw and fully label the Boston Matrix below.
3. Draw and fully label 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'.
8. Explain what is mean by the 'People' element of the marketing mix.
9. Explain what is mean by the 'Process' element of the marketing mix.
10. Explain what is mean by the 'Physical evidence' element of the marketing mix.
11. Give the 7 influences on an integrated marketing mix.

3.4 Decision making to improve operational performance

3.4.1 Setting opertaionl objectives

1. Give the 6 different operational objectives that a business may set itself.

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. Explain the difference between 'Just in Time' and 'Just in Case'.
4. What is meant by the optimal resource mix?
5. How can technology be used to improve operational performance?

3.4.4 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 2 difficulties 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. Give three ways a business can manage supply to match demand.
2. Draw and fully label an inventory control chart below.
3. List 5 influences on the choice of supplier.
4. Define the term 'outsourcing'.
5. Give two advantages and two disadvantages of '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. Explain the difference between 'cash' and 'profit'.
3. Give the formula for 'gross profit'.
4. Give the formula for 'operating profit'.
5. Give the formula for 'profit for the year'.

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. Give 2 benefits and 2 drawbacks of budgets.
5. Draw and complete a cash flow forecast.
6. Explain what a 'payable' is.

7. Explain what a 'receivable' is.
8. Draw and label a breakeven chart below.
9. What is the formula used to calculate 'breakeven output'?
10. What is the formula used to calculate 'margin of safety'?
11. What is the formula used to calculate 'contribution per unit'?
12. What is the formula used to calculate 'total contribution'?
13. Give two benefits of using breakeven analysis.
14. 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'.
7. Define and give one benefit and one drawbacks of 'crowd funding'.

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. Give 2 difficulties in improving cash flow.
4. Give 2 difficulties in improving profit.

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. Explain the difference between soft and hard HRM.

3.6.2 Analysing human resource performance

1. Give the formula for 'labour turnover'.
3. Give the formula for 'labour productivity'.

4. Give the formula for 'employee costs as a percentage of turnover'.

5. Give the formula for 'labour cost per unit'.

3.6.3 Improving organisational design and human resource flow

1. Give the 4 different organisational structures that exist and explain each of them.

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 3 motivational theories that exist.

2. Give four financial methods of motivation.

3. Give the 5 non-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'.

Task 2 – Business Winners & Losers

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

Business One: Rolls Royce

Link: <https://www.bbc.co.uk/news/articles/cvgwwwkzjv8o>

What has happened?	
Who have or may be affected e.g. stakeholders?	
Why has this happened? Analyse the situation.	
Which Y12 topics does this case study relate to?	
Will the impact of this be positive or negative for the business and why?	

Business Two: Marks and Spencer's

Link: <https://www.bbc.co.uk/news/business-61575556>

What has happened?	
Who have or may be affected e.g. stakeholders?	
Why has this happened? Analyse the situation.	
Which Y12 topics does this case study relate to?	
Will the impact of this be positive or negative for the business and why?	

Business Three: WHSmith

Link: <https://www.bbc.co.uk/news/articles/cj3n3en7gppo#:~:text=The%20name%20WH%20Smith%2C%20a,to%20Hobbycraft%20Downer%20Modella%20Capital.>

What has happened?	
Who have or may be affected e.g. stakeholders?	
Why has this happened? Analyse the situation.	
Which Y12 topics does this case study relate to?	
Will the impact of this be positive or negative for the business and why?	

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 a new theory; Elkington's Triple Bottom line. In preparation for learning on this, please complete the following:

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.

You will also learn about ratio analysis in the first half-term of year 13. Watch the videos below to help you complete the summary grid on each ratio on the next page.

Current ratio: <https://www.youtube.com/watch?v=BCaoQNkeoy0> (you do not need to know the acid test ratio so stop watching the video at 7 minutes 55 seconds)

Gearing: <https://www.youtube.com/watch?v=nwrutKvKE98>

Profitability ratios: <https://www.youtube.com/watch?v=ROgkmlVuXKU>

Inventory turnover: <https://www.youtube.com/watch?v=oIN86FQGmg4>

Receivables and payables days: <https://www.youtube.com/watch?v=dY4wX-7-dtI>

Ratio	How is this ratio calculated?	What does this ratio measure?
Current ratio		
Gearing		
Gross profit margin		
Operating profit margin		
Return on capital employed (ROCE)		
Inventory turnover		
Receivables days		
Payables days		

Recommended additional 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>