

GCSE Business

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Revision checklist

- **Unit 1 - Starting a business** – Multiple Choice Question exam – 45 minutes
- **Unit 3 - Building a business** - This paper is divided into 3 sections. Questions will require a mixture of multiple-choice selection, short- and extended/ long-answers. Sections B and C will both consist of questions based on a scenario given in the paper – 1 hour 30 minutes.

Unit 1 – Starting a business

Topic 1.1. Spotting a business opportunity Page 1-9

Content coverage/key questions	Learning outcomes	Have you learnt/achieved? Yes/No/Go over
What is a business?	<ul style="list-style-type: none"> • To be able to state what a business does 	
Understanding customer needs	<ul style="list-style-type: none"> • To be able to state why customer needs are central to a business 	
Analysing customers	<ul style="list-style-type: none"> • To be able to identify customers • To understand the types of customers that are being targeted • To understand how to segment the market • To understand the position of a business in order to spot a gap in the market • To understand how to use a market map 	
Analysing competitors	<ul style="list-style-type: none"> • To be able to recognise the importance of competitors in business planning. • To be able to state at least three potential strengths and three weaknesses of competitors that might affect business planning. 	
Adding value	<ul style="list-style-type: none"> • To understand the meaning of the term 'added value'. • To be able to recognise added value in three examples of products. 	
The options available in starting up a business	<ul style="list-style-type: none"> • To recognise that there are different options available in starting up a business. • To understand the main principles of a franchise. • To be able to state at least two advantages and two disadvantages of a franchise. • To recognise the importance of location in setting up a business 	

Topic 1.2. Showing enterprise Page 10-15

Content coverage/key questions	Learning outcomes	Have you learnt/achieved? Yes/No/Go over
What is enterprise?	<ul style="list-style-type: none"> • To be able to state at least four features of being enterprising. • To understand the difference between a good and a service. • To understand how mind maps can be used by entrepreneurs to spot opportunities. 	
Being creative and	<ul style="list-style-type: none"> • To understand the role of creative thinking in business enterprise. • To be able to identify key questions that entrepreneurs ask. 	

enterprising	<ul style="list-style-type: none"> • To be able to identify ways of thinking creatively 	
Innovation and invention	<ul style="list-style-type: none"> • To be able to state clearly the difference between invention and innovation. • To understand the steps that an entrepreneur can take to protect ideas and products. • To understand the difference between trademarks and copyright 	
Calculated risk	<ul style="list-style-type: none"> • To recognise that business involves degrees of risk. • To appreciate that business can also bring rewards. • To understand how to balance out the risk– reward ratio. • Evaluate the importance of judging the outcome and viability of a start-up. • Give examples of business mistakes that were part of the process of learning to succeed 	
Enterprise skills	<ul style="list-style-type: none"> • Explain the importance of planning, thinking ahead, seeing opportunities, having drive and determination making connections, using mind maps to collect thoughts and see opportunities 	

Topic 1.3. Putting a business idea into practice Page 16-24

Content coverage/key questions	Learning outcomes	Have you learnt/achieved? Yes/No/Go over
Business objectives	<ul style="list-style-type: none"> • To be able to state at least three financial and three non-financial objectives for starting up a business. 	
Entrepreneur qualities	<ul style="list-style-type: none"> • To be able to state at least two qualities shown by entrepreneurs 	
Costs and revenues	<ul style="list-style-type: none"> • To be able to state a definition of revenue, fixed costs, variable costs, price, total cost and profit. • To state two ways in which a new business might forecast sales. • Explain how to determine fixed and variable costs • Differentiate between price and cost and the concept of profit • Explain how profit is the difference between the total revenue generated over a period and the total costs • Evaluate the impact of profits and losses on a business and its owners 	
Forecasting cash flow	<ul style="list-style-type: none"> • To understand the difference between cash flow and profit. • To understand the difference between a cash flow forecast and cash flow statement. • To be able to complete a cash flow forecast table. • To identify at least four factors that affect cash flow. • To understand how poor cash flow can lead to business failure. • To understand the use of the business plan in planning cash flow. 	
Obtaining finance	<ul style="list-style-type: none"> • To be able to state at least three different sources of finance for a new business. • To recognise the difference between short-term finance and long-term finance. 	

Topic 1.4. Making the start up effective Page 25-30

Content coverage/key questions	Learning outcomes	Have you learnt/achieved? Yes/No/Go over
Customer focus and marketing mix	<ul style="list-style-type: none"> • To understand that a focus on the needs of the customer is essential to business success. • To recognise the main elements of the marketing mix. • To be able to identify key elements of the marketing mix in different contexts. 	

Limited liability	<ul style="list-style-type: none"> To understand the principle of liability. To be able to state the difference between limited and unlimited liability. To appreciate how the extent of liability can influence decision-making on the type of business organisation chosen by an entrepreneur. State the differences between sole trader and private limited company status 	
Start-up, legal and tax issues	<ul style="list-style-type: none"> To recognise the importance of an appropriate trading name for a business. To appreciate why accurate record keeping is important to a business. To understand the main taxes a small business will have to pay — VAT, corporation tax, income tax and National Insurance contributions. 	
Customer satisfaction	<ul style="list-style-type: none"> To give a definition of customer satisfaction and customer service. To be able to state at least three benefits to a business of high levels of customer service. To be able to understand the importance of repeat business and how customer service and customer satisfaction play a role in securing repeat business. 	
Recruitment	<ul style="list-style-type: none"> To understand the key stages in recruiting employees to a business. To understand that both skills and attitude are important in the selection process. To appreciate that employing staff is governed by laws relating to race, sex, age and disability. 	

Topic 1.5. Understanding the economic context Page31-35

Content coverage/key questions	Learning outcomes	Have you learnt/achieved? Yes/No/Go over
Demand and supply	<ul style="list-style-type: none"> To understand that a market is made up of buyers and sellers. To understand that the price of a good is determined by the interaction of demand and supply. To recognise that a shortage will lead to a rise in price and a surplus to a fall in price. To be able to recognise the difference between a goods market and a commodity market. To appreciate that changes in commodity prices can affect small businesses. 	
Interest rates and exchange rates	<ul style="list-style-type: none"> To understand that interest is the payment made for a loan/received for savings. To understand how changes in interest rates can affect small businesses. To understand that the exchange rate is the price of acquiring a foreign currency. To be able to calculate simple exchange rate conversions using dollars, pounds and euros. To understand that changes in exchange rates affect buyers from abroad and sellers to foreign countries differently. 	
Business cycle	<ul style="list-style-type: none"> To provide a definition of 'economic activity'. To be able to recognise that the level of economic activity changes over time. To be able to state how different stages in the business cycle might affect different small businesses. 	
Stakeholders	<ul style="list-style-type: none"> To be able to provide a definition of the term 'stakeholder'. 	

	<ul style="list-style-type: none"> To be able to recognise the key stakeholders in a number of small business contexts. To be able to state the basic rights and responsibilities of different stakeholders. To understand and identify at least five possible areas of conflict between stakeholders in a business. 	
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Unit 3 – Building a business

Topic 3.1 Marketing Page 39-46

Content coverage/key questions	Learning outcomes	Have you learnt/achieved? Yes/No/Go over
Marketing	<ul style="list-style-type: none"> To provide a definition of the term marketing 	
Market research	<ul style="list-style-type: none"> To be able to explain difference between quantitative and qualitative research? To be able to give examples of each type of research To be able to explain the difference between primary and secondary research To be able to give examples of each and know when they would be used 	
Product trial and repeat purchase	<ul style="list-style-type: none"> To be able to explain why product trial and repeat purchase is important To be able to explain how you can maximise repeat purchase through customer loyalty 	
Product life cycle	<ul style="list-style-type: none"> To be able to explain the four stages of the product life cycle To be able to give examples of what extension strategies a business can use to extend the life of a product To provide a definition of a product portfolio 	
Boston Matrix	<ul style="list-style-type: none"> To be able to explain what a Boston Matrix is and explain each of the four areas 	
Branding and differentiation	<ul style="list-style-type: none"> To explain why branding and differentiation is important to a business 	
Building a successful marketing mix	<ul style="list-style-type: none"> To be able to provide a definition of the marketing mix To be able to explain how a business can build a successful marketing mix 	

Topic 3.2 Meeting customer needs Page 47-53

Content coverage/key questions	Learning outcomes	Have you learnt/achieved? Yes/No/Go over
Design and research development	<ul style="list-style-type: none"> To explain the components of the design mix 	
Managing stock and quality	<ul style="list-style-type: none"> To be able to explain what a bar stock graph is and to be able to label the following; maximum and minimum stock level, reorder level and lead time To be able to explain Just in Time (JIT) method of stock control To be able to explain the benefits and limitations of using this method of stock control 	
Cost-effective operations and competitiveness	<ul style="list-style-type: none"> To be able to define productivity To be able to explain how a business can keep productivity up and costs down to allow for competitive prices 	

Effective customer service	<ul style="list-style-type: none"> To be able to explain and give examples of effective customer service To be able to explain the disadvantages of poor customer service 	
Meeting consumer protection laws	<ul style="list-style-type: none"> To understand the Trade Descriptions Act and Sale of Goods Act To appreciate the effects of this legislation on business 	

Topic 3.3 Effective financial management Page 54-58

Content coverage/key questions	Learning outcomes	Have you learnt/achieved? Yes/No/Go over
How to improve cash flow	<ul style="list-style-type: none"> To be able to explain how a business can improve cash flow by increasing cash inflows or reducing cash outflows To be able to analyse the difference between increasing cash inflows and reducing cash outflows 	
How to improve profit	<ul style="list-style-type: none"> To be able to explain how a business can increase profit To be able to analyse the difference between increasing revenue and reducing costs To appreciate that increasing revenue or reducing costs involves a trade off 	
Break even charts and break even analysis	<ul style="list-style-type: none"> To draw and interpret a break even chart Know how to calculate the break even point and margin of safety Explain and illustrate how changes in costs and prices affect the break even point Appreciate the usefulness of break even 	
Financing growth	<ul style="list-style-type: none"> Explain how to finance a business from both internal sources (profit and assets sales) and external sources (share capital, debt) including stock market flotation Appreciate the advantages and disadvantages of each source 	

Topic 3.4 Effective people management Page 59-62

Content coverage/key questions	Learning outcomes	Have you learnt/achieved? Yes/No/Go over
Organisational structure	<ul style="list-style-type: none"> To be able to explain the importance of divisional structure, levels of hierarchy, chains of command and centralised versus decentralised systems 	
Motivation theory	<ul style="list-style-type: none"> To explain the importance of motivation in the workplace To explain Maslow's Hierarchy of Needs and its importance in the workplace 	
Communication	<ul style="list-style-type: none"> To be able to explain the impact of sufficient or excessive communication on efficiency, on staff and on their motivation To be able to appreciate the barriers to effective communication 	
Remuneration	<ul style="list-style-type: none"> To be able to explain the impact on staff of various payment systems; time, piece rate, commission; full time salary versus freelance or temporary work; fringe benefits To be able to explain the impact on a business of different payment systems 	

Topic 3.5 The wider world affecting business Page 63-66

Content coverage/key questions	Learning outcomes	Have you learnt/achieved? Yes/No/Go over
Ethics in	<ul style="list-style-type: none"> To be able to explain the meaning of the term "ethics" in business 	

business	<ul style="list-style-type: none"> To appreciate the moral issues affecting organisations 	
Environmental issues	<ul style="list-style-type: none"> To explain how businesses affect the environment To explain the importance of short term environmental effects (impact on traffic congestion, air, noise, water pollution, recycling) and long term effects (global warming and resource depletion) 	
Economic issues affecting international trade	<ul style="list-style-type: none"> To be able to appreciate the extremes of income distribution internationally To explain the effect of import protection and export subsidy on businesses 	
The impact of government and the EU	<ul style="list-style-type: none"> To explain the impact of regulation and taxation on businesses To explain the benefits and drawbacks of minimum wage, maternity/paternity rights and health and safety regulations on businesses 	

Essential Formulas

- **Revenue** = Price x quantity sold
- **Total costs** = Fixed + Variable costs
- **Fixed costs** – do not change with output. They are always the same
- **Variable costs** – change with amount of goods produced. Multiply the number of goods sold by the variable costs per unit.
 - **Profit** = Revenue – total costs
- **Changing £'s into \$'s or €'s** – multiply the UK price by the exchange rate
- **Changing \$'s or €'s in to £'s** – divide the foreign price by the exchange rate
 - **Break even point** = $\frac{\text{Fixed cost}}{\text{Contribution}}$
- **Contribution** = Price per item sold – variable cost per item sold

Resources

Revision guide – you each have one of these
There are revision resources available here
<R:\Subjects\Key Stage 4\Business\GCSE\Revision>
Useful websites;
<http://www.bbc.co.uk/education/subjects/zpsvr82>
<http://www.businessed.co.uk/index.php/home/theory/gcse/edexcel-gcsetheory#unit-1-an-introduction-to-small-business>
<http://revisionworld.com/gcse-revision/business-studies/edexcel-business-studies/unit-1-introduction-small-business>

Exam technique

Paper 1 – Unit 1 - MCQ

- Read the question carefully and underline the key word they are assessing
- Always look at the context of the questions (case study) before choosing your answer.

Paper 2 – Unit 3 – mix of questions

- **State/identify** – how many things are they asking for? Simply write them out!
- **What is meant by?** – write out the definition of the key word and give an example of the key word
- **Calculate** – Write out the formula and apply the formula to the data in the question
- **Outline** - State first point and describe how it will affect the business. Describe another way it will affect the business. (1 point for 2 marks, 2 points needed if 3 or 4 marks)
- **Explain** – how/why - Develop your point by using linking statements e.g. 'leading to' 'therefore' 'because...' 'as a result...' 'this means that...' Aim for 2 linking words.
- **Describe** – write out the first point and link to the scenario, describe the impact the point has on the business and describe another way it will affect the business. (repeat this if you need a second or third point)
- **Discuss** – look at both sides, counter argue both sides and come to a conclusion – judgement
- **Advantages/disadvantages** – identify an advantage and say why it is an advantage (what effect it has on the business). Give a second reason why it is an advantage. Repeat for a second advantage. Repeat the same steps for two disadvantages
- **Assess** - Give at least 2 reasons for the situation and develop these reasons. Give at least 2 reasons against the situation and develop each reason. Give a conclusion – judgement based on the business in the scenario