

GCE AS / A LEVEL BUSINESS

Course Outline



The following course outline intends to help teachers in their planning. However, we must stress that there are many other ways of organising the specification content, and these suggestions should not be seen as prescriptive. This outline assumes learners will be taught for 4 hours per week. There may be slight differences with the timings due to the different term dates in the UK.

This plan assumes that learners will be entered for the AS examinations at the end of the one year AS course. Component 1 and 2 of the AS specification are the same as Component 1 of the A Level specification.

YEAR 1

TERM ONE			
Week	Specification Content	Specification Amplification	Possible Activities
1	<p>INTRODUCTION Aims and objectives, stakeholders</p> <p>ENTERPRISE Needs and wants and business opportunities</p>	<p>The meaning of enterprise and SMEs.</p> <p>How satisfying needs and wants can give opportunities to entrepreneurs.</p>	<p>Investigate and identify, using relevant examples, the features of successful businesses.</p> <p>Analyse the needs and wants of different groups in society, e.g., learners; a young couple with children; a pensioner couple. Explain how these needs and wants are satisfied by different</p>

		Identify business opportunities.	businesses/organisations. Identify and investigate two successful SMEs in your local area; interview the owners to find out the reasons for the success of their business. Identify the inputs (factors of production) that are required by each business to meet the needs and wants of their customers.
2	ENTERPRISE Entrepreneurs	<p>Explain the role of the entrepreneur in creating, setting up, running and developing a business.</p> <p>Explain the financial and non-financial motives of an entrepreneur.</p> <p>Explain the characteristics and skills of an entrepreneur.</p> <p>Explain the importance of entrepreneurs and SME's to the primary, secondary and tertiary sectors of the UK economy.</p> <p>Evaluate the impact of entrepreneurs and SMEs on businesses and the economy.</p>	<p>Select three entrepreneurs; describe the nature of their business. Identify their particular skills and character traits. Explain the reasons for their success.</p> <p>Use the internet to investigate the contribution of SME's. Relevant sites include : www.parliament.uk/briefing-papers/sn06078.pdf www.fsb.org.uk/stats</p>

3	BUSINESS PLANS	<p>Identify the various stakeholders who are affected by a business.</p> <p>Explain the purpose and main components of a business plan.</p> <p>Evaluate the importance of a business plan.</p> <p>Identify the main sources of information and guidance available to entrepreneurs.</p>	<p>Identify the stakeholders of the two SME's previously investigated.</p> <p>Assess the view that having a business plan will guarantee the success of a start-up business.</p> <p>Carry out project work on identifying a gap in the market and produce an outline business plan, e.g. https://www.gov.uk/write-business-plan</p> <p>Research how organisations such as the Prince's Trust, Chamber of Commerce, Welsh/UK Government and Citizen's Advice Bureau could help with the start-up of a new business.</p>
4	MARKETS Types of market Market data Market segmentation	<p>Explain what is meant by a market and competition.</p> <p>Identify different types of markets, including local/global, mass/niche, trade/consumer, product/service and seasonal.</p> <p>Analyse and interpret market data including market size, market share and market trends.</p> <p>Explain what is meant by</p>	<p>Analyse one example of each of the different types of market. Identify similarities and differences, e.g., type of products; numbers of buyers and sellers, relative prices.</p> <p>Select appropriate industries, e.g., car production, supermarkets, mobile phones for analysis of market size etc.</p>

		<p>market segmentation.</p> <p>Explain how markets are segmented.</p> <p>Evaluate the importance and impact of segmentation to a business and its customers.</p>	<p>Analyse three products, e.g., toys, confectionery and cars, to see how and why the markets for them are segmented.</p> <p>Learners to select one product each and produce a brief presentation on how the product is differentiated to target different customers.</p>
<p>5</p>	<p>MARKETS</p> <p>Market structure</p>	<p>Understand that different markets have differing degrees of competition, ranging from perfect competition to monopoly.</p> <p>Explain the features of perfect competition, monopolistic competition, oligopoly and monopoly and their impact on business behaviour.</p> <p>Understand the reasons why consumers sometimes need protection from exploitation from businesses.</p>	<p>Find examples of each type of market. Explain their characteristics.</p> <p>Investigate two cases where consumers have experienced problems due to the activities of a business.</p> <p>www.which.co.uk</p> <p>www.tradingstandards.gov.uk/policy/policy-pressitem.cfm/newsid/24</p>

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MARKETS

Demand and supply

Explain what is meant by demand, supply and equilibrium.

Understand the importance of demand and supply in the market.

Explain the factors that lead to a change in demand and supply.

Explain how a change in demand and supply can impact upon price and quantity.

Construct and interpret demand and supply diagrams.

Understand the factors that cause the demand and supply curves to shift and the effect this has on equilibrium price and quantity.

Analyse and evaluate factors which affect demand and supply and equilibrium.

Analyse the market for different products, e.g., coffee, petrol, and restaurant meals. Draw diagrams for each to illustrate the effect of changes in demand and supply conditions on the market.

Investigate how the recent recession and disposable income levels affected the demand/supply for certain goods/services, such as, holidays, alcohol and the motor industry. How will the demand for holidays in Nepal be affected after the recent earthquakes?

7	<p>MARKETS</p> <p>Price and income elasticity of demand</p>	<p>Understand the concept of price and income elasticity of demand (learners are not required to do calculations).</p> <p>Explain the nature of inferior, normal and luxury goods.</p>	<p>Investigate and analyse the demand for different products, e.g., milk, cigarettes and foreign holidays to determine (intuitively) their price elasticity.</p> <p>Investigate and analyse the demand for different products to see what happens when incomes change.</p> <p>Find three examples of each type of goods; inferior, normal and luxury, explaining why they fit into these categories.</p>
8	<p>MARKET RESEARCH</p> <p>Primary and secondary research and quantitative and qualitative research</p>	<p>Explain what is meant by market research and the value of carrying it out.</p> <p>Distinguish between primary and secondary market research.</p> <p>Evaluate the use of market research to a business and its stakeholders.</p> <p>Distinguish between qualitative and quantitative data.</p> <p>Explain the different methods of primary and secondary research available to businesses.</p> <p>Explain the issues in selecting the most appropriate method of market research.</p>	<p>Carry out market research based on the business plan from week 3, including writing questionnaires and carrying out interviews.</p> <p>Learners to collect examples of different primary research tools used by businesses. Using these, give examples of how qualitative and quantitative data is collected.</p>

	Sampling	<p>Evaluate the use of different methods of primary and secondary research.</p> <p>Interpret and evaluate quantitative and qualitative data.</p> <p>Explain what is meant by sampling.</p> <p>Explain the difference between random and quota sampling methods.</p> <p>Understand the need to avoid bias in market research.</p> <p>Evaluate the usefulness of sampling for a business and its stakeholders.</p>	<p>Look at secondary resources online to see how sampling is used by businesses.</p> <p>Carry out some brief research in school/college using random and quota sampling, compare the results.</p>
	<p>BUSINESS STRUCTURE</p> <p>Private and public sector</p>	<p>Explain the difference between the private and public sector.</p> <p>Explain the aims of private sector businesses including survival, growth and profit.</p> <p>Explain the aims of the public sector and its role in the</p>	<p>Identify the main activities of central, regional and local government and explain what would happen if this work was not carried out.</p>

	Types of ownership	<p>provision of goods and services.</p> <p>Evaluate the roles of the public and private sectors in the provision of goods and services.</p> <p>Explain the legal structure of different private sector business organisations including sole traders, partnerships, private and public limited companies.</p> <p>Explain what is meant by limited and unlimited liability.</p> <p>Explain the advantages and disadvantages of choosing different legal structures.</p> <p>Evaluate the factors affecting the choice of the legal structure of a business.</p> <p>Explain the main features of not-for-profit organisations including social enterprises, charities, co-operatives and societies.</p> <p>Evaluate the importance and impact of the legal structure for the various stakeholders for a business.</p>	<p>Identify one example of each type of private sector for-profit business. Explain the advantages and disadvantages of each type of business to its various stakeholders.</p> <p>Study the work done by not-for-profit organisations.</p> <p>Come up with ideas on starting a social enterprise in the local area. Assess how this would benefit and make positive changes to the local community.</p> <p>Choose one organisation and investigate its work. Present your findings.</p>
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9	BUSINESS LOCATION	<p>Explain the factors that need to be considered when locating a new business and analyse these factors in relation to the needs of the business.</p> <p>Evaluate the choice of different locations for a new business.</p>	<p>Identify three suitable locations for the business that you chose for your business plan.</p> <p>List the advantages and disadvantages of each location.</p>
10	BUSINESS FINANCE Sources of finance (N.B. Appears in more detail in component 2)	<p>Explain the sources of finance available to entrepreneurs and SMEs.</p> <p>Analyse the advantages and disadvantages of each source of finance.</p> <p>Evaluate different sources of finance available to entrepreneurs and SMEs.</p>	<p>Investigate suitable sources of finances for your business in your business plan.</p> <p>Explain the advantages and disadvantages of each.</p>
11	BUSINESS REVENUE AND COSTS Types of costs	<p>Explain what is meant by costs, revenues and profits.</p> <p>Identify costs to a business including fixed, variable, semi-</p>	<p>Identify the types of costs faced by the three SME's previously investigated.</p>

		variable, direct, indirect/overhead costs and total costs.	
12	BUSINESS REVENUE AND COSTS Calculating costs, revenues and profit Break-even	<p>Calculate revenue, costs and profit.</p> <p>Interpret revenue, cost and profit calculations.</p> <p>Evaluate the impact of costs, revenue and profit on a business and its stakeholders.</p> <p>Explain what is meant by contribution and break-even.</p> <p>Calculate contribution and understand its application to the calculation of break-even.</p> <p>Construct and interpret break-even charts, including the margin of safety.</p> <p>Illustrate on a break-even chart the effects of changes in costs and revenues.</p> <p>Analyse how changes in costs and/or revenue can affect</p>	<p>Use two examples (either actual or case studies) to calculate profit.</p> <p>Explain how, in each case, profit can be increased.</p> <p>Use these examples to calculate contribution (selling price – variable cost).</p> <p>Use the formula to calculate break-even output (fixed costs/contribution).</p> <p>Practise examples of calculating break-even using a break-even chart.</p> <p>Carry out “what-if” analysis and evaluate the usefulness of break-even.</p>

		break-even (what-if analysis). Evaluate the usefulness of break-even to a business and its stakeholders.	
13	MARKETING What is marketing Product/market/asset led Marketing mix – product	<p>Explain the purpose of marketing and its importance to different types of organisations in different situations.</p> <p>Explain what is meant by market orientation, product orientation and asset-led marketing.</p> <p>Explain what is meant by the marketing mix.</p> <p>Explain what is meant by product, product portfolio, brand, unique selling point and differentiation.</p> <p>Evaluate the importance of having the right products to a business and its stakeholders.</p>	<p>Investigate the marketing campaigns of different businesses, identifying the different aspects of the marketing mix + orientation. Examples might be confectionery, soft drinks, cars, and electronic equipment such as phones and tablets.</p> <p>Explain how marketing is used to differentiate products and make them appear unique in a crowded marketplace.</p>
14	MARKETING Marketing mix – product Product life cycle	<p>Explain what is meant by the product life cycle.</p>	<p>Investigate product life cycles of different products.</p>

	<p>Boston matrix</p>	<p>Explain the stages in the product life cycle.</p> <p>Explain what is meant by an extension strategy.</p> <p>Construct and interpret a product life cycle diagram including extension strategies.</p> <p>Evaluate the impact of extension strategies on a business.</p> <p>Explain the relationship between the product life cycle and cash flow.</p> <p>Analyse product life cycles and extension strategies for different businesses, products and markets.</p> <p>Evaluate the use of the product life cycle to a business and its stakeholders.</p> <p>Explain how the Boston Matrix can be used to manage a product portfolio.</p>	<p>Construct product life cycle diagrams including extension strategies and cash flow for these products.</p> <p>Explain why some product life cycles are long and others short and the reasons and methods for extending them.</p> <p>Select 2 businesses who have an extensive product portfolio. Use the Boston Matrix to categorise the products.</p>
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		Evaluate the use of the Boston Matrix to a business and its stakeholders.	
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TERM TWO

Week	Specification Content	Specification Amplification	Possible Activities
15	<p>MARKETING</p> <p>Marketing mix – Price</p>	<p>Explain the different strategies used by businesses to determine the appropriate price for a product including penetration, skimming, cost plus, competitive, psychological and contribution.</p> <p>Understand how different types of business organisations in different situations will use different pricing strategies.</p> <p>Evaluate the importance for a business of selecting the most appropriate pricing strategy.</p> <p>Evaluate the impact of pricing decisions on a business and its stakeholders.</p>	<p>Investigate examples of each pricing strategy. Explain why the business uses each strategy.</p>
	<p>Marketing mix - Promotion</p>	<p>Explain what is meant by promotion.</p>	<p>Analyse the methods of promotion used for a range of different products.</p>

		<p>Explain the different above and below the line strategies used by businesses to promote their products.</p> <p>Understand how different types of business organisations in different situations will use a range of different promotional strategies.</p> <p>Explain the importance for a business of selecting the most appropriate promotional strategy.</p> <p>Evaluate the importance of selecting the right promotional strategy on a business and its stakeholders.</p>	<p>Suggest the reasons why the various types of above and below the line promotion are appropriate for the different products.</p> <p>Identify and investigate a business that uses a promotional mix.</p> <p>Investigate both a successful and an unsuccessful marketing campaign. Explain what affect the campaigns had on the image of the organisation.</p>
<p>16</p>	<p>MARKETING</p> <p>Marketing mix – Place</p>	<p>Explain what is meant by place.</p> <p>Explain the different distribution channels used by businesses.</p> <p>Explain what is meant by multi-channel distribution.</p>	<p>Explain the importance of having the product in the right place at the right time.</p> <p>Identify one product for each of the four types of distribution channel and explain the reasons for choosing these different channels under different circumstances.</p>

	<p>Decisions about the marketing mix</p>	<p>Explain the importance for a business of selecting the most appropriate distribution channels.</p> <p>Evaluate the impact of selecting the right distribution channel/s.</p> <p>Understand the importance of global marketing and global brands.</p> <p>Explain how the marketing mix will differ in different contexts including local, national or global markets, goods or services markets, size of business, niche or mass markets and market structure.</p> <p>Evaluate the marketing mix in different contexts.</p>	<p>Identify three global brands and analyse how their marketing varies from one country to another. Explain the reasons for this. Investigate the types of problem that each business is likely to have when involved in global marketing.</p> <p>Investigate current and new technology and how it is impacting on businesses.</p>
	<p>New technology</p>	<p>Explain how new technology is used in marketing including the role of digital media, social media, e-tailing and m-commerce.</p>	<p>Carry out research online to find out what new technology is available to small and large scale business to help them market their products and services.</p>

		<p>Explain the impacts of new technology on existing businesses such as high street retailers.</p> <p>Evaluate the impact of new technology on the marketing activities of businesses and its stakeholders.</p>	<p>Investigate how new technology helps different businesses with their marketing effort e.g., better targeting, cost savings, greater impact, improved access to potential consumers in time and location.</p> <p>Explain, using suitable examples, why it is important to get the right blend in the marketing mix and the implications for a business that gets the mix wrong.</p>
17	FINANCE	<p>Understand the role of the finance department.</p> <p>Explain what is meant by a budget and their purpose.</p> <p>Evaluate the use of budgets to a business and its stakeholders.</p> <p>Explain the sources of finance available to established and large businesses and consider their appropriateness for different situations.</p> <p>Understand that sources of finance can be internal/external.</p> <p>Explain internal sources of finance including owners' capital, retained profit and sales of assets.</p>	<p>Explain the role of finance in the success of a business and identify businesses that failed due to financial problems.</p> <p>Understand that budgets can relate to a business as a whole or to sub-divisions of a business.</p> <p>Identify the different types of budgets a business may set.</p> <p>Evaluate possible internal and external sources of finance for two large businesses in different industries, (i.e. 250+ employees).</p> <p>Research the costs of loans and overdraft online.</p>

		<p>Explain external sources of finance including loans, overdrafts, share capital, venture capital, leasing, trade credit and debt factoring. Explain the advantages and disadvantages of different sources of finance to a business and the importance of choosing appropriate sources.</p> <p>Evaluate the impact of different sources of finance to a business and its stakeholders.</p>	
<p>18</p>	<p>FINANCE</p> <p>Cash flow forecasting</p>	<p>Explain what is meant by cash flow.</p> <p>Explain what is meant by a cash flow forecast.</p> <p>Construct, calculate and interpret a cash flow forecast.</p> <p>Evaluate the impact of a cash flow forecast on a business and its stakeholders.</p> <p>Explain the causes of cash flow problems.</p> <p>Explain strategies by which a</p>	<p>Construct and interpret cash flow forecasts for different businesses in order to anticipate cash flow problems and suggest methods of preventing such problems.</p> <p>Construct a cash flow model (with formulas and totals) in a spreadsheet and see the effect of changes in revenue and costs on the net cash flow and closing balances.</p>

PEOPLE IN ORGANISATIONS

Changes in working practices

Explain the functions of the HR department.

Explain what is meant by flexible working including flexible working hours, home working, part time, temporary, job sharing, multi-skilling, zero hour contracts and hot-desking.

Explain the impact of new technology on working practices.

Evaluate the impact of changes in working patterns on employees and employers.

Workforce planning

Explain what is meant by workforce planning.

Evaluate the impact and importance of having the correct numbers of employees with appropriate skills and experience.

Investigate two businesses in order to discover how many people they employ, in what types of job, in order to understand the importance of people, their skills and experience, to a business.

Investigate the ways in which the nature of work has changed over time including the introduction of flexible working and the impact of technology.

Explain why it is important to have a workforce plan.

Investigate news articles to identify businesses who have undertaken changes in their workforce.

<h1>21</h1>	PEOPLE IN ORGANISATIONS	
	<p>Recruitment</p> <p>Explain what is meant by the recruitment process.</p> <p>Explain what is meant by internal and external recruitment.</p> <p>Explain what is meant by job analysis, job description and person specification.</p> <p>Evaluate appropriate methods of selecting different types of employee for different types of job including interviews, work trials, testing, selection exercises and telephone interviews.</p>	<p>Select three different jobs (e.g. from a local paper or the internet). Outline the recruitment process in relation to these jobs and its role in ensuring that a business has the right person for the job.</p> <p>Research a job that you are interested in applying for. Produce an appropriate and detailed job description and person specification for the job. Justify why the documents will encourage effective recruitment.</p> <p>Carry out a range of methods in the classroom and assess which ones were the most effective.</p>
<p>Training</p> <p>Explain what is meant by training.</p> <p>Explain the role of training in developing appropriate skills.</p> <p>Explain the different methods of</p>	<p>To what extent is training at large retailers, such as Tesco and Marks and Spencers, essential to the development of an effective workforce and, therefore, the overall success of the business?</p> <p>Analyse gaps in knowledge and skills that might require further training or development to match the requirements of a given person specification and job description.</p>	

	Appraisal	<p>training including induction, on-the-job, off-the-job and apprenticeships.</p> <p>Evaluate the importance and impact of training for a business and its stakeholders.</p> <p>Explain what is meant by appraisal.</p> <p>Explain different methods of appraisal including superior's assessment, peer assessment, self-assessment and 360 degree feedback.</p> <p>Understand how appraisals can benefit both the business and its employees.</p> <p>Evaluate the importance and impact of appraisal for a business and its stakeholders.</p>	<p>Investigate the types of training opportunities available to employees. Explain the benefits of training to the employee and the employer.</p> <p>Investigate and evaluate one appraisal scheme.</p>
22	PEOPLE IN ORGANISATIONS Workforce	Explain what is meant by	Measure workforce performance for different groups of workers (using

		<p>structures.</p> <p>Explain the advantages and disadvantages of changing organisational structures and delayering.</p> <p>Evaluate the choice between empowerment and control of the workforce.</p> <p>Evaluate the appropriateness of different organisational structures to a business and its stakeholders.</p>	
<p>23</p>	<p>PEOPLE IN ORGANISATIONS</p> <p>Motivation</p>	<p>Explain what is meant by motivation and the benefits of a motivated workforce.</p> <p>Explain motivation theories including F.W Taylor (Scientific management), E. Mayo (human relations), A. Maslow (hierarchy of needs), F. Herzberg (two factor theory), and V. Vroom, L. Porter and E. Lawler</p>	<p>Investigate how your school/college attempts to motivate you. Why do they do this?</p> <p>Outline the main motivation theories and understand what they tell us about the relationship between employers and employees.</p>

		<p>(expectancy theories).</p> <p>Evaluate the relevance of motivational theories and their importance to businesses.</p> <p>Explain financial methods of motivation including piece rate, commission, bonus, salary, profit sharing, share ownership and performance related pay.</p> <p>Explain non-financial methods of motivation including consultation, job design, job enlargement, job rotation, job enrichment, empowerment, team working and flexible working.</p> <p>Evaluate the appropriateness of various financial and non-financial methods of motivation for a business and its stakeholders.</p> <p>Evaluate the impact of a motivated workforce on a business and its stakeholders.</p>	<p>Select two businesses and analyse the different methods of financial and non-financial motivation that they use to try to motivate their employees. Evaluate these methods.</p>
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PEOPLE IN ORGANISATIONS

Management and leadership

Explain what is meant by management.

Explain the functions and roles of management.

Explain the advantages and disadvantages of management by objectives (MBO).

Explain D. McGregor's theory X and theory Y.

Evaluate the importance of management to a business and its stakeholders.

Explain what is meant by leadership.

Explain different types of leadership styles including autocratic, democratic, paternalistic, bureaucratic and laissez faire.

Explain leadership theories

Investigate local and national businesses to find out the difference between management and leadership.

Carry out research to find examples of good business leaders. Identify their styles.

		<p>including F. Fielder (1976) and P. Wright and D. Taylor (1984).</p> <p>Evaluate the importance and impact of leadership for a business and its stakeholders.</p> <p>Evaluate the appropriateness of various leadership styles and theories to different business situations.</p>	
<p>25</p>	<p>PEOPLE IN ORGANISATIONS</p> <p>Employer/employee relations</p>	<p>Explain what is meant by employer/employee relationships.</p> <p>Explain the duties and rights of employers and employees including contract of employment, health and safety, minimum wage and dismissal.</p> <p>Explain what is meant by equal opportunities.</p> <p>Evaluate the impact of equal opportunities on employers and</p>	<p>Investigate the main features of the Equality Act 2010 with special reference to 'protected characteristic'. How does this piece of legislation impact on business activity?</p> <p>http://www.legislation.gov.uk/ukpga/2010/15/pdfs/ukpga_20100015_en.pdf</p>

		<p>employees.</p> <p>Explain the role of trade unions including collective bargaining, their advantages and disadvantages.</p> <p>Explain what is meant by employer and employee conflict including trade disputes and industrial action.</p> <p>Explain the resolution of disputes including negotiation, consultation and the role of ACAS.</p> <p>Evaluate the impact of employer/employee relations, conflict and resolution on a business and its stakeholders.</p>	<p>Use trade union internet site to identify the services they offer their members.</p> <p>Investigate the history of industrial relations in the UK in terms of: trade union membership; numbers of industrial disputes and the number of days lost through strikes.</p> <p>Investigate three cases of disputes between workers and management: one involving wages; one involving unfair dismissal and one involving discrimination. Explain how these disputes were resolved in practice.</p>
<p>26</p>	<p>OPERATIONS MANAGEMENT</p> <p>Added Value</p>	<p>Understand the nature of operations management in different types of business organisations.</p> <p>Explain what is meant by added value.</p>	<p>Draw diagrams for two different products to illustrate the chain of production and the process of adding value.</p>

	Job, batch and flow	<p>Calculate added value.</p> <p>Explain ways of increasing value added.</p> <p>Evaluate the importance of added value to a business and its stakeholders.</p> <p>Explain the different methods of production including job, batch and flow.</p> <p>Evaluate appropriate methods of production for businesses.</p>	<p>Identify a product that adds large amounts of value along the production process. How does this benefit the business?</p> <p>Discuss how brands can add value to their goods and services – Which factors help them the most and how?</p> <p>Investigate businesses, each using different methods of production, e.g., tailor made suits; bread; steel. Explain the advantages and disadvantages to each business of the method of production that it uses.</p>
27	OPERATIONS MANAGEMENT Productivity	<p>Explain what is meant by productivity.</p> <p>Understand ways of measuring productivity.</p> <p>Explain ways in which productivity can be increased.</p>	<p>Using real or imagined data calculate productivity and capacity utilisation for three different businesses.</p> <p>Select two businesses and suggest ways in which they might increase productivity and capacity utilisation.</p>

	Capacity Utilisation	<p>Evaluate the importance and impact of productivity for a business and its stakeholders.</p> <p>Explain the concept of capacity utilisation.</p> <p>Calculate and interpret capacity utilisation.</p> <p>Evaluate the concept of capacity utilisation for a business and its stakeholders.</p>	
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TERM THREE

Week	Specification Content	Specification Amplification	Possible Activities
28	<p>OPERATIONS MANAGEMENT</p> <p>Technology</p> <p>Lean Production</p>	<p>Explain how new technology can be used by businesses, including the use of information technology, CAD, CAM and robotics.</p> <p>Evaluate the impact of new technology on the various stakeholders.</p> <p>Evaluate the importance and impact of technology in the operations of a business.</p> <p>Explain what is meant by lean production.</p> <p>Explain the range of lean production practices that are used to reduce waste and improve productivity including kaizen, just-in-time, cell production and time-based</p>	<p>Select local, national and global businesses and explain how they have used new technology in order to gain an advantage over their competitors.</p> <p>Describe the ways in which one business has successfully implemented lean production techniques.</p>

		<p>management. Evaluate the importance and impact of lean production for a business and their stakeholders.</p>	
<p>29</p>	<p>OPERATIONS MANAGEMENT</p> <p>Quality</p>	<p>Explain what is meant by quality.</p> <p>Analyse the importance of quality to a business.</p> <p>Explain the difference between quality control and quality assurance.</p> <p>Explain the concept of Total Quality Management (TQM) and the ways it can be achieved including quality chains, empowerment, monitoring, teamwork, zero defects, quality circles and benchmarking.</p> <p>Evaluate the importance of</p>	<p>What are the benefits of maintaining high standards of quality for a business?</p> <p>Describe the work of businesses whose success can be put down to an improvement in quality.</p> <p>Describe one example of a business that has introduced TQM and explain how this has benefited the business.</p> <p>What are the implications for a business of poor quality goods and</p>

	Purchasing	<p>quality for a business and its stakeholders.</p> <p>Explain the importance of purchasing and working with suppliers.</p>	services?
	Stock control	<p>Explain what is meant by stock control.</p> <p>Understand the importance of controlling stock.</p> <p>Explain methods of stock control including traditional stock control methods, just-in-time and computerised stock control.</p> <p>Interpret stock control diagrams and explain the main components including re-order level, lead time, buffer stock and minimum stock level.</p> <p>Evaluate the importance and impact on business and their stakeholders of holding too much or too little stock.</p>	<p>Complete stock control diagrams from actual or made-up data.</p>

30	OPERATIONS MANAGEMENT		
	R&D	<p>Explain what is meant by innovation, research and development.</p> <p>Explain the process of product design and development.</p> <p>Evaluate the costs and benefits of innovation, research and development for a business and its stakeholders.</p>	<p>Investigate global businesses whose success is largely based on R & D, e.g., Dyson, Apple, McLaren and Astra-Zeneca. Explain how and why they have been successful.</p>
	Economies of scale	<p>Explain what is meant by economies of scale.</p> <p>Explain the different types of internal economies of scale.</p> <p>Explain external economies of scale.</p> <p>Explain how businesses can benefit from the different types of internal and external economies of scale.</p> <p>Explain reasons for internal</p>	<p>Select and explain how two businesses have benefited from economies of scale and one that has suffered from diseconomies of scale.</p> <p>Analyse the various economies/diseconomies of scale that they have</p>

	<p>Survival of small firms</p>	<p>diseconomies of scale.</p> <p>Explain the problems caused by internal diseconomies of scale.</p> <p>Evaluate the impact of economies and diseconomies of scale on a business and its stakeholders.</p> <p>Explain the survival of small firms.</p>	<p>experienced.</p> <p>Select two small businesses (possibly those from week 1) and explain why they have survived despite opposition from larger firms.</p>
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YEAR 2

TERM FOUR			
Week	Specification Content	Specification Amplification	Possible Activities
1	DATA ANALYSIS	Present, interpret and analyse data, including pie charts, histograms and index numbers.	Analyse a variety of data from published sources, e.g., newspapers, journals, websites (please note that learners are not required to calculate index numbers).
2	MARKET ANALYSIS	<p>Analyse quantitative and qualitative research data in order to better understand the position of the business in the market and the requirements of customers at present and in the future.</p> <p>Calculate price and income elasticity of demand.</p> <p>Interpret numerical values of price and income elasticity of demand.</p> <p>Evaluate the impact of changes in price and income on business revenue.</p>	<p>In groups use market research reports (e.g. Mintel) to investigate one industry per group (e.g., cars, confectionery, mobile phones) in order to analyse the results and present findings.</p> <p>Use actual or contrived data to calculate several price and income elasticities and interpret their impact on relevant businesses.</p>
3	SALES FORECASTING	<p>Explain what is meant by sales forecasting.</p> <p>Explain the usefulness of sales</p>	Compare quantitative and qualitative sales forecasting data (actual or invented) for a number of businesses, showing both sales growth and sales decline. Analyse and interpret the data.

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forecasting and the factors that can affect its reliability.

Understand that sales forecasting includes quantitative and qualitative techniques.

Calculate a three-point moving average.

Create a scatter graph and a line of best fit.

Use extrapolation to predict future developments.

Interpret information from time-series analysis.

Understand that correlation can be positive, negative or non-existent.

Evaluate the usefulness of time-series analysis for a business and its stakeholders.

Explain qualitative forecasting techniques including, intuition, brainstorming and the Delphi method.

Use data to practise calculations, graphs etc.

Analyse several instances of different types of correlation.

Investigate examples of qualitative forecasting by interviewing local business people.

		Evaluate the advantages and disadvantages of using qualitative forecasting.	
5 - 7	ANALYSING FINANCIAL PERFORMANCE	<p>Explain what is meant by a budget variance.</p> <p>Calculate budget variances.</p> <p>Analyse budgets and budget variances.</p> <p>Evaluate the use and impact of budgets and budget variances for a business and its stakeholders.</p> <p>Explain the main components of a balance sheet and the way that it is constructed.</p> <p>Explain what is meant by working capital, capital employed and depreciation.</p> <p>Calculate working capital, capital employed (long-term liabilities and shareholders' capital) and depreciation (the straight line method only).</p>	<p>Analyse and evaluate several examples of budget variances using real or invented data.</p> <p>Start by analysing simple balance sheets (e.g. from a textbook), then use the published accounts of businesses online.</p>

	<p>Interpret and analyse a balance sheet.</p> <p>Calculate and interpret return on capital employed (ROCE).</p> <p>Calculate and interpret the current ratio and acid test ratio.</p> <p>Calculate and interpret the gearing ratio (long-term liabilities/capital employed).</p> <p>Analyse the trading, profit and loss account (the income statement) and the balance sheet in order to assess the financial performance of a business.</p> <p>Consider business accounts in relation to previous years and other businesses.</p> <p>Evaluate the financial position of a business.</p> <p>Understand that accounts can be affected by window-dressing and other factors, such as changes in demand and inflation.</p>	<p>Group work: use ratios to analyse the accounts of one plc per group and present findings.</p>
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8	ANALYSING NON-FINANCIAL PERFORMANCE	<p>Explain how non-financial measures, including customer attitude surveys, employee attitude surveys, market share, productivity and a company's environmental record, can be used to evaluate performance.</p>	<p>Continue with group work (as above) in order to assess the non-financial performance of the businesses studied (N.B. Not all relevant information may be available and estimates will have to be made).</p>
9	AIMS AND OBJECTIVES	<p>Explain the role of vision statements and their relationship to a business' aims.</p> <p>Explain how objectives are used by a business in order to achieve its aims.</p> <p>Explain what is meant by SMART objectives.</p> <p>Explain the role and purpose of mission statements.</p> <p>Evaluate vision statements, objectives and mission statements and their impact on a business and its stakeholders.</p>	<p>In groups consider the vision statements, mission statements and objectives of a range of businesses considered earlier and assess their usefulness.</p> <p>Refer back to the section on management by objectives (MBO) in the AS specification.</p>
10 - 11	STRATEGY AND IMPLEMENTATION	<p>Understand the relationship between objectives and strategy.</p> <p>Explain the meaning of strategy including corporate strategy, strategic direction, divisional strategy and functional strategy.</p>	<p>In groups, consider the strategy and tactics of the businesses selected for aims and objectives above.</p> <p>Consider the corporate plan of the various businesses. Carry out a SWOT analysis of each business.</p>

		<p>Explain the relationship between strategy and tactics.</p> <p>Explain the purpose of corporate plans.</p> <p>Apply a SWOT analysis to a specific business.</p> <p>Apply Porter's Five Forces framework to a specific business. Evaluate business strategy and corporate plans.</p> <p>Explain the nature and purpose of the Ansoff matrix.</p> <p>Apply the Ansoff matrix to different businesses.</p> <p>Evaluate the usefulness of the Ansoff matrix to businesses.</p> <p>Explain what is meant by horizontal and vertical integration.</p> <p>Explain the advantages and disadvantages of horizontal and vertical integration.</p> <p>Explain the difference between organic</p>	<p>Apply Porter's Five Forces framework to each of the businesses.</p> <p>Investigate and analyse real businesses in order to understand the nature of all four sectors of the Ansoff matrix.</p> <p>Investigate several examples of horizontal and vertical integration in order to understand the advantages and disadvantages.</p> <p>Investigate examples of organic and external growth in order to understand the advantages and disadvantages of each.</p>
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	<p>and external growth.</p> <p>Analyse the advantages and disadvantages of organic growth.</p> <p>Analyse the advantages and disadvantages of different methods of external growth including mergers and takeovers.</p> <p>Explain the nature and purpose of franchising as a method of growth.</p> <p>Evaluate different methods that businesses can use to achieve growth.</p> <p>Explain what is meant by rationalisation.</p> <p>Explain the factors that affect decisions about location/relocation and rationalisation.</p> <p>Evaluate the impact of the choice of location/relocation and rationalisation on a business and its stakeholders.</p> <p>Explain what is meant by outsourcing production.</p>	<p>Investigate franchise businesses from the point of view of the franchisor and the franchisee.</p> <p>Investigate one example of rationalisation and explain the advantages and disadvantages to the stakeholders of the business.</p> <p>Investigate one business that has outsourced production and identify the advantages and disadvantages to the business and its stakeholders.</p>
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		Evaluate the arguments for and against outsourcing production.	
<p style="text-align: center;">12 — 14</p>	<p>DECISION-MAKING MODELS</p>	<p>Explain the types of decisions a business makes including strategic, tactical and operational.</p> <p>Explain the importance of decision-making to a business.</p> <p>Understand that decision-making tools can be scientific or intuitive.</p> <p>Explain the nature and purpose of decision tree analysis commenting on the benefits and limitations of the technique.</p> <p>Construct decision trees, interpret and evaluate the results.</p> <p>Explain the nature and purpose of critical path analysis (CPA), commenting on the benefits and limitations of the technique.</p> <p>Complete CPA diagrams, interpret and evaluate the results.</p> <p>Explain the nature and purpose of</p>	<p>Refer back to the role of management in the AS specification.</p> <p>Investigate examples of good and bad decision-making by business leaders.</p> <p>Practise several examples of decision trees.</p> <p>Practise several examples of critical path analysis.</p> <p>Investigate and evaluate one example of cost benefit analysis, e.g.,</p>

		<p>cost benefit analysis (CBA), commenting on the benefits and limitations of the technique.</p> <p>Carry out cost benefit analysis, interpret and evaluate the results.</p> <p>Evaluate the advantages and disadvantages of using decision trees, CPA and CBA for business decision-making.</p> <p>Explain the key role played by information technology in business decision-making.</p>	<p>HS2, the Severn Barrage.</p> <p>Investigate examples of the use of technology in decision-making, e.g., the use of point of sale information by retailer businesses.</p>
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TERM FIVE			
Week	Specification Content	Specification Amplification	Possible Activities
15 — 16	INVESTMENT APPRAISAL	<p>Explain what is meant by investment appraisal.</p> <p>Explain the purpose of investment appraisal.</p> <p>Calculate and interpret the payback period of an investment in years and months.</p> <p>Calculate and interpret the average rate of return (ARR) of an investment.</p> <p>Use discounted cash flow (DCF) to calculate and interpret the net present value (NPV) of an investment (discount factors will be provided and do not need to be calculated).</p> <p>Evaluate the advantages and disadvantages of the different investment appraisal methods to a business and its stakeholders.</p> <p>Evaluate the viability of investment</p>	<p>Practise several examples of investment appraisal: payback, ARR, DCF and NPV</p> <p>Evaluate alternative options taking into account quantitative and</p>

		options, taking into account both quantitative and qualitative factors, to make recommendations.	qualitative factors.
17	SPECIAL ORDERS	<p>Explain what is meant by special orders.</p> <p>Calculate contribution and advise on the appropriateness or otherwise of accepting special orders.</p>	Consider various alternative scenarios in order to decide under what circumstances special orders should be accepted.
18 - 19	CHANGE	<p>Explain the causes of change in business including a change in the size of the business, a change in ownership, developments in technology, market changes, consumer tastes, legislation, changes in the workforce and changes in the economy.</p> <p>Distinguish between internal and external causes of change.</p> <p>Distinguish between planned and unplanned change.</p> <p>Explain the effects of change on business including the need to change production methods and update equipment, need to develop</p>	<p>As a class investigate several businesses in order to identify the causes of change facing them.</p> <p>Suggest ways that the businesses can best respond to the challenges that face them.</p>

		<p>new products, need to meet legal requirements, need to retrain the workforce and need to look for new markets.</p> <p>Explain the importance of managing change effectively.</p> <p>Explain different approaches to managing change including J. Storey's four different approaches.</p> <p>Explain why there may be resistance to change and ways of removing resistance including Lewin's three step process, changes in organisational culture and the role of leadership.</p> <p>Explain how the management of change can be evaluated.</p> <p>Evaluate the impact of change on a business and its stakeholders.</p> <p>Evaluate the importance of managing change effectively.</p>	<p>Investigate ways that businesses have managed change including an application of John Storey's four approaches: a total imposed package; imposed piecemeal initiatives; negotiated piecemeal initiatives and negotiated total packages.</p> <p>Research and evaluate Kurt Lewin's three stage model: unfreeze/change/freeze.</p> <p>Investigate one organisation that has undergone change. Evaluate the impact of change on the business and its stakeholders. Explain the consequences to businesses of not managing change effectively.</p>
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RISK MANAGEMENT

Identify the risks that businesses are likely to encounter, including natural disasters, failure of equipment/technology, employee error, supply problems, economic factors, legal challenges, public relations and product failures.

Explain that some risks are more certain to happen than others and that this will affect the decision as to how much a business will be willing to spend on their prevention.

Explain the importance of risk assessment as a tool for avoiding risks.

Explain how some risks can be dealt with by preventative actions such as installing water sprinklers, backing up IT data and training employees.

Explain the difference between insurable and uninsurable risks.

Explain what is meant by contingency planning and crisis management.

Explain ways in which businesses can

Research instances of businesses that have been affected by risk factors and analyse the way that they have responded to these risks.

Study the section on risk in the annual report of one plc. Explain how the business intends to deal with the anticipated risk factors.

Investigate news articles online to identify recent examples of businesses using crisis management.

		<p>use contingency planning to deal with risks that may affect their activities such as having contingency funds, alternative production arrangements, allocating responsibilities to managers/employees and dealing with public relations in the event of a crisis.</p> <p>Evaluate the possible responses of a business to the potential risks that it faces.</p> <p>Evaluate the importance of risk management and contingency planning to a business and its stakeholders.</p>	<p>Create a contingency plan for a small business, listing potential risks and suggesting ways that they can be minimised.</p>
<p>21 — 22</p>	<p>PEST FACTORS</p> <p>Political</p>	<p>Explain how political factors affect business activity.</p> <p>Explain the role of the government in providing a stable framework in which businesses operate.</p> <p>Explain how businesses are affected by taxation and subsidies.</p>	<p>Assess the impact of a recent government budget on business activities.</p> <p>Suggest other policies that might benefit particular businesses and evaluate the likelihood of the success of such policies.</p>

	Economic	<p>Explain how fiscal and monetary policies affect businesses.</p> <p>Explain why governments legislate and regulate business activity.</p> <p>Explain the importance of the government as a purchaser of goods and services from the private sector.</p> <p>Evaluate the relationship between government and businesses.</p> <p>Explain how economic factors affect business activity.</p> <p>Explain what is meant by economic growth and the business cycle and their measurement (GDP).</p> <p>Explain what is meant by inflation including its measurement and causes.</p> <p>Explain what is meant by interest rates.</p> <p>Explain what is meant by exchange rates.</p>	<p>Investigate the role of the Bank of England in controlling the economy.</p> <p>Assess how changes in the current business environment are likely to impact on a start-up business and an established medium to larger business.</p> <p>Assess the economic performance of the UK with that of other countries by comparing economic indicators.</p> <p>Explore Bank of England website for video clips on various economic concepts. http://www.bankofengland.co.uk/education/Pages/resources/films/default.aspx</p> <p>Evaluate the impact of changes to economic factors on specific businesses, e.g., how would a particular business be affected by a change in the exchange rate.</p>
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		Evaluate the impact of technological factors on businesses and their stakeholders.	
23 - 24	ETHICAL, LEGAL AND ENVIRONMENTAL FACTORS		
	Ethical	<p>Explain the meaning of business ethics.</p> <p>Understand the types of ethical issues a business will face including environmental, animal rights, treatment of workers, suppliers and customers.</p> <p>Explain the meaning of corporate social responsibility (CSR).</p> <p>Understand the possible conflict between ethics and profitability.</p> <p>Evaluate the impact on the profitability of a business of having ethical objectives.</p>	<p>Investigate the ethical policies of particular businesses. Assess the advantages and disadvantages to the business of pursuing ethical policies. Assess the extent to which the business is committed to carrying out ethical policies.</p> <p>Use the Internet to research how global companies such as Coca-Cola, McDonalds, Starbucks, etc. implement their CSR. What conflicts arise between the responsibilities that these companies have to the environment and the local community, and to its shareholders, suppliers and employees?</p>
	Legal	Evaluate the ethical stance of businesses from the point of view of	

	Environmental	<p>different stakeholders.</p> <p>Explain the main laws that concern businesses, including company law, employment and anti-discrimination law, consumer protection, competition policy, health and safety legislation, data protection, intellectual property and minimum wage (learners are not expected to have detailed knowledge of specific Acts of Parliament).</p> <p>Evaluate the impact of legislation on businesses and their stakeholders.</p> <p>Explain the potential environmental costs of business activity including air, water and noise pollution, climate change, congestion, destruction of the environment and waste disposal.</p> <p>Explain how potential environmental costs can be controlled by government intervention, the influence of pressure groups and education.</p> <p>Explain how businesses can respond to environmental issues.</p>	<p>Research the ways in which one particular business is affected by the law. Evaluate the costs and benefits to the business of conforming to legal requirements.</p> <p>Investigate one instance of good environmental practice by a business and one example of bad practice.</p>
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		<p>Evaluate the impact of business activity on the environment.</p> <p>Evaluate the impact on a business of implementing environmentally friendly policies.</p>	<p>Suggest ways in which businesses might improve their impact on the environment.</p>
<p>25</p>	<p>INTERNATIONAL TRADE</p>	<p>Explain what is meant by international trade.</p> <p>Explain the reasons for international trade.</p> <p>Explain what is meant by free trade and protectionism (including tariffs and quotas).</p> <p>Explain what is meant by a trading bloc and a single market.</p> <p>Evaluate free trade and protectionism to UK businesses and their stakeholders.</p> <p>Explain the challenges to UK businesses of developing new international markets for their products.</p> <p>Evaluate the decision of a business to</p>	<p>Investigate the UK's main imports and exports and its main trading partners.</p> <p>Explain how UK businesses and consumers benefit from free trade and how they are affected by protectionist policies.</p> <p>Investigate one instance of success by a UK business in developing new markets overseas and one failure. Assess the reasons for the success/failure.</p>

		develop new international markets for its products.	
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TERM SIX			
Week	Specification Content	Specification Amplification	Possible Activities
26 — 28	GLOBALISATION	<p>Explain what is meant by globalisation.</p> <p>Explain the nature of globalisation and global markets, including developing markets.</p> <p>Explain the factors that have contributed to globalisation including communication technologies, liberalisation of trade, Internet, cost of transportation and consumer tastes.</p> <p>Explain the effect of globalisation on businesses and their stakeholders including increased competition and opportunities for growth.</p> <p>Explain the different strategies that businesses might use in order to achieve global growth including global branding, external growth and choice of target markets.</p> <p>Evaluate the strategies that businesses use to achieve global</p>	<p>Investigate several global companies in order to identify the reasons for their success.</p> <p>Suggest ways in which specific UK businesses might increase their global presence. What difficulties might they face, how might these difficulties be overcome?</p>

		<p>growth.</p> <p>Explain the benefits and difficulties for UK businesses of operating in global markets.</p> <p>Explain how businesses adapt their products, marketing activities and working practices to reflect the local needs (globalisation).</p> <p>Evaluate the impact of globalisation on UK businesses and their stakeholders.</p> <p>Explain what is meant by a multinational company.</p> <p>Explain the reasons for the existence of multinational companies.</p> <p>Evaluate the decision of a business to operate as a multinational company.</p> <p>Evaluate the impact of multinational companies on the countries in which they operate.</p>	<p>Investigate the activities of multinational companies and evaluate the impact of the business on the countries in which they operate – how do these countries benefit, what are the drawbacks, if any, of the operations of multinational corporations.</p>
29	The European Union	Explain the nature and purpose of the European Union (EU) and the single	Explain the benefits and drawbacks of EU membership to a country, its businesses and its citizens.

European market.

Explain the impact of the EU on businesses including free movement of goods, labour and capital, legislation, regulations and standards.

Evaluate the impact of the EU on businesses and their stakeholders.

Explain what is meant by the single European currency (the euro) and the Eurozone.

Evaluate the costs and benefits of the single European currency to businesses and their stakeholders.

Evaluate the impact to UK businesses of being a member of the EU and the Eurozone.

Evaluate the impact to UK businesses of not being a member of the EU and the Eurozone.

Would UK business be better off if the UK were to leave the EU?

Assess the success or otherwise of the euro/Eurozone.

Should the UK ever/never join the euro?