

Subject: BUSINESS STUDIES

Exam board/ EDEXCEL/ 2BS01
overall exam code:

Exam content: 2 papers & controlled assessment (all one tier of entry)

Paper/module number	Duration	Content	Exam date	Percentage of overall GCSE
Unit 1	45 mins	Introduction to business	WEDS 23 MAY 9.00AM	25%
Unit 2*	-	Controlled assessment investigation	N/A	25%
Unit 3	1hr 30mins	Building a business	WEDS 6 JUNE 1.30PM	50%

*Unit 2 completed in summer term of year 10

Exam advice

1. Use business/economics terms and theories
“Target Audience/Target Market” is much better than, “the people they sell their stuff to.”
Relate these terms to the particular business, e.g. McDonalds main target market is young people and others on low incomes who tend to have less money and are looking for cheaper meals
2. Answer the questions that has been asked
Don’t just spew out all you know about the topic, make sure your response answers the questions and that there is a logical chain of reasoning
3. Read your textbook and/or revision guide
Every page is important and there are lots of questions to test yourself
4. Use the case studies
Always think about how the theory you learn might relate to the situation/business and use evidence in your answers
5. Past papers
Completing past papers can improve your confidence and some questions come up again and again
6. Look at what the questions worth
Don’t spend all day on questions worth 1 or 2 marks
7. Bring a calculator
Mathematical questions are hard to do without it!

8. Select the correct number of responses in multiple choice

If the question asks for two answers select two answers.

9. **Revision tips**

- Revise key terms as identified in the revision guide and in the student guide booklet
- Practise past paper questions and pass them to Mr Holland/Mrs Wells to be marked.
- Use the ‘answer questions’ booklet when completing papers to improve your structure
- Spend at least four hours per week on economics revision over Easter.

Unit 1: Introduction to Small Business

Section 1 – Spotting a Business Opportunity

Key Ideas	Specification Content	☺	☹	☹
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 the position of a business in order to spot a gap in the market. 			
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. 			

Unit 1: Introduction to Small Business

Section 2 – Showing Enterprise

Key Ideas	Specification Content	☺	☹	☹
What is enterprise?	<ul style="list-style-type: none"> • To be able to state at least four features of being enterprising. 			

	<ul style="list-style-type: none"> 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 enterprising.	<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. 			
Invention and innovation.	<ul style="list-style-type: none"> To be able to state clearly the difference invention and innovation. To understand the steps that an entrepreneur can take to protect ideas and products. 			
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 List the qualities shown by entrepreneurs 			

Unit 1: Introduction to Small Business

Section 3 – Putting a Business Idea into Practice

Key Ideas	Specification Content	☺	☹	☹
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. 			

	<ul style="list-style-type: none"> To understand the difference between a cash flow forecast and a 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. 			

Unit 1: Introduction to Small Business
Section 4 – Making the Start Up Effective

Key Ideas	Specification Content	☺	☹	⊗
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. 			

	<ul style="list-style-type: none"> To appreciate that employing staff is governed by laws relating to race, sex, age and disability. 			
--	---	--	--	--

Unit 1: Introduction to Small Business

Section 5 – Economic Issues

Key Ideas	Specification Content	☺	☹	⊗
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. 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’. 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. 			
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. 			

	<ul style="list-style-type: none"> To appreciate that changes in commodity prices can affect small businesses. 			
--	---	--	--	--

Unit 3: Building a Business

Section 1 - Marketing

Key Ideas	Specification Content	😊	😐	😞
Marketing	<ul style="list-style-type: none"> The meaning of the term 'marketing' 			
Market research	<ul style="list-style-type: none"> how to collect and interpret quantitative and qualitative research data to help decide on issues such as the appropriate marketing mix 			
Product trial and repeat purchase	<ul style="list-style-type: none"> the concept of breaking down 'sales' into product trial and repeat purchase and how to maximise repeat purchase through customer loyalty 			
Product life cycle	<ul style="list-style-type: none"> the four phases of the life cycle, extension strategies, cash flow and the life cycle, and product portfolio analysis through the Boston Matrix 			
Branding and differentiation	<ul style="list-style-type: none"> the importance of brands as an aid to product trial and repeat purchase and the need to differentiate a product/service from others, given the level of competition 			
Building a successful marketing mix	<ul style="list-style-type: none"> the importance of managing a brand through the key variables that make up the mix: Product, Price, Promotion and Place 			

Unit 3: Building a Business
Section 2 - Meeting Customer Needs

Key Ideas	Specification Content	☺	☹	☹
Design and research development	<ul style="list-style-type: none"> design as a key approach to product differentiation, be able to appreciate the design mix and show the need for scientific research to provide the basis for development 			
Managing stock and quality	<ul style="list-style-type: none"> to interpret bar gate stock graphs to see how stock control should work in theory and understand the need for the use of Just In Time (JIT) stock control the advantages and drawbacks of different stock control methods quality control versus a culture of quality assurance 			
Cost-effective operations and competitiveness	<ul style="list-style-type: none"> keeping productivity up and costs down to ensure low costs and allow for competitive prices 			
Effective customer service	<ul style="list-style-type: none"> providing customers with the service level they want, when they want it, and to see the link with repeat purchase levels the disadvantages of poor customer service 			
Meeting consumer protection laws	<ul style="list-style-type: none"> a brief introduction to the purpose of Trade Descriptions and Sale of Goods legislation and the effects of this legislation on business (No need for exhaustive detail, just an outline; the keys are 'Why?' and 'With what effect?') 			

Unit 3: Building a Business
Section 3 - Effective Financial Management

Key Ideas	Specification Content	☺	☹	☹
How to improve cash flow?	<ul style="list-style-type: none"> key aspects of financial management such as how to establish more favourable credit terms with customers and suppliers and the practice of de-stocking how to analyse the difference between increasing cash inflows and reducing cash outflows 			
How to improve profit	<ul style="list-style-type: none"> cutting costs and increasing revenues, and the impact of price changes on profit (Important to think beyond the immediate effect, eg that staff cuts may save money at the cost of power motivation.) 			
Break-even charts and break-even analysis	<ul style="list-style-type: none"> how to draw and interpret break-even charts; calculate the break-even point and margin of safety how changes to price and costs affect the break-even point the value to a business of using break-even analysis (Exam questions would always give students the axes for any graph to be drawn. Students <u>should be able to label the axes and interpret the data.</u>) 			

Financing growth	<ul style="list-style-type: none"> • how to finance a business from both internal sources (profit, asset sales) and external sources (share capital, debt), including stock market flotation • The important issue is debt versus share capital (equity), ie how risky is the financing of the business? 			
------------------	--	--	--	--

Unit 3: Building a Business
Section 4 - Effective People Management

Key Ideas	Specification Content	😊	😐	😞
Organisational structure	<ul style="list-style-type: none"> • the importance of divisional structure, levels of hierarchy, chains of command, and centralised versus decentralised systems • (Quite a lot of terminology here, though all based on important concepts. More able students would be able to link this material to Maslow's Hierarchy of Needs and to communication.) 			
Motivation theory	<ul style="list-style-type: none"> • the significance of motivation in the workplace, with specific focus on Maslow's Hierarchy of Needs and its potential in organisations • the idea that motivation comes from within 			
Communication	<ul style="list-style-type: none"> • the impact of insufficient or excessive communication on efficiency, the impact on staff and their motivation and the barriers to effective communication 			
Remuneration	<ul style="list-style-type: none"> • the impact on staff of various payment strategies, including time, piece rate, commission; full-time salary versus freelance or temporary work; fringe benefits • the impact on business of different payment systems • (think from two different perspectives: the employer and the employee. The key concept is financial incentives (What behaviours do they lead to?) versus salary/time rate.) 			

Unit 3: Building a Business
Section 5 - The wider world affecting business

Key Ideas	Specification Content	😊	😐	😞
Ethics in business:	<ul style="list-style-type: none"> • the meaning of the term 'ethics' in business and the complexity of moral issues affecting organisations • possible trade-off between ethics and profit • the importance of the potential effects of pressure group activity <p>NOTES Ethics is a topic that you can react</p>			

	<p>to in black and white terms, but the need is for shades of grey. Not everything is as easy as it seems</p> <ul style="list-style-type: none"> • As with any other group, pressure groups should be viewed with a critical eye. 			
Environmental issues	<ul style="list-style-type: none"> • how businesses affect the environment • the importance of short term environmental effects (impact on traffic congestion; air, noise and water pollution; recycling) and long-term environmental effects (global warming and resource depletion) <p>Consider these issues from the point of view of the developing and developed world</p>			
Economic issues affecting international trade	<ul style="list-style-type: none"> • the extremes of income distribution internationally • the effect of import protection and export subsidy on businesses 			

Easter work

At least 2 Unit 1 past papers

At least 2 Unit 3 past papers