**Year 10 Business GCSE**

**Theme 1 Revision – Traffic light review**

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| **Traffic Light Review – Theme 1 revision** | **Very confident** | **Less so** | **Do this first!** |
| **Topic 1.1 Enterprise and entrepreneurship** | | | |
| **1.1.1 The dynamic nature of business** | | | |
| Why new business ideas come about:   * changes in technology * changes in what consumers want * products and services becoming obsolete |  |  |  |
| How new business ideas come about:   * original ideas * adapting existing products/services/ideas |  |  |  |
| **1.1.2 Risk and reward** | | | |
| The impact of risk and reward on business activity:   * risk: business failure, financial loss, lack of security * reward: business success, profit, independence |  |  |  |
| **1.1.3 The role of business enterprise** | | | |
| The role of business enterprise and the purpose of business activity:   * to produce goods or services * to meet customer needs * to add value: convenience, branding, quality, design, unique selling points. |  |  |  |
| The role of entrepreneurship:   * an entrepreneur: organises resources, makes business decisions, takes risks. |  |  |  |
| **Topic 1.2 Spotting a business opportunity** | | | |
| **1.2.1 Customer needs** | | | |
| Identifying and understanding customer needs:   * what customer needs are: price, quality, choice, convenience * the importance of identifying and understanding customers: generating sales, business survival. |  |  |  |
| **1.2.2 Market research** | | | |
| The purpose of market research:   * to identify and understand customer needs * to identify gaps in the market * to reduce risk * to inform business decisions |  |  |  |
| Methods of market research:   * primary research: survey, questionnaire, focus group, observation * secondary research: internet, market reports, government reports. |  |  |  |
| The use of data in market research:   * qualitative and quantitative data * the role of social media in collecting market research data * the importance of the reliability of market research data. |  |  |  |
| **1.2.3 Market segmentation** | | | |
| How businesses use market segmentation to target customers:   * identifying market segments: location, demographics, lifestyle, income, age * market mapping to identify a gap in the market and the competition. |  |  |  |
| **1.2.4 The competitive environment** | | | |
| Understanding the competitive environment:   * strengths and weaknesses of competitors based on: price, quality, location, product range and customer service * the impact of competition on business decision making |  |  |  |
| **Topic 1.3 Putting a business idea into practice** | | | |
| **1.3.1 Business aims and objectives** | | | |
| What business aims and business objectives are.  Business aims and objectives when starting up:   * financial aims and objectives: survival, profit, sales, market share, financial security * non-financial aims and objectives: social objectives, personal satisfaction, challenge, independence and control. * Why aims and objectives differ between businesses. |  |  |  |
| **1.3.2 Business revenues, costs and profits** | | | |
| The concept and calculation of:   * revenue * fixed and variable costs * total costs * profit and loss * interest * break even level of output * margin of safety |  |  |  |
| Interpretation of break even diagrams:   * the impact of changes in revenue and costs * break even level of output * margin of safety * profit and loss |  |  |  |
| **1.3.3 Cash and cash-flow** | | | |
| The importance of cash to a business:   * to pay suppliers, overheads and employees * to prevent business failure (insolvency) * the difference between cash and profit. |  |  |  |
| Calculation and interpretation of cash-flow forecasts:   * cash inflows * cash outflows * net cash flow * opening and closing balances. |  |  |  |
| **1.3.4 Sources of business finance** | | | |
| Sources of finance for a start-up or established small business:   * short-term sources: overdraft and trade credit * long-term sources: personal savings, venture capital, share capital, loans, retained profit and crowd funding. |  |  |  |
| **Topic 1.4 Making the business effective** | | | |
| **1.4.1 The options for start-up and small businesses** | | | |
| The concept of limited liability:   * limited and unlimited liability * the implications for the business owner(s) of limited and unlimited liability. |  |  |  |
| The types of business ownership for start-ups:   * sole trader, partnership, private limited company * the advantages and disadvantages of each type of business ownership. |  |  |  |

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| The option of starting up and running a franchise operation:   * the advantages and disadvantages of franchising |  |  |  |
| **1.4.2 Business location** | | | |
| Factors influencing business location:   * proximity to: market, labour, materials and competitors * nature of the business activity * the impact of the internet on location decisions: e-commerce and/or fixed premises. |  |  |  |
| **1.4.3 The marketing mix** | | | |
| What the marketing mix is and the importance of each element:   * price, product, promotion, place. |  |  |  |
| How the elements of the marketing mix work together:   * balancing the marketing mix based on the competitive environment * the impact of changing consumer needs on the marketing mix the impact of technology on the marketing mix: e-commerce, digital communication. |  |  |  |
| **1.4.4 Business plans** | | | |
| The role and importance of a business plan:   * the business idea; * business aims and objectives; * target market (market research); * forecast revenue, * cost and profit; * cash-flow forecast; * sources of finance; * location; * marketing mix. |  |  |  |
| The purpose of planning business activity:   * the role and importance of a business plan in minimising risk and obtaining finance |  |  |  |
| **Topic 1.5 Understanding external influences on business** | | | |
| **1.5.1 Business stakeholders** | | | |
| Who business stakeholders are and their different objectives:   * shareholders (owners), employees, customers, managers, suppliers, local community, pressure groups, the government |  |  |  |
| Stakeholders and businesses:   * how stakeholders are affected by business activity * how stakeholders impact business activity * possible conflicts between stakeholder groups |  |  |  |
| **1.5.2 Technology and business** | | | |
| Different types of technology used by business:   * e-commerce * social media * digital communication * payment systems |  |  |  |
| How technology influences business activity in terms of:   * sales * costs * marketing mix |  |  |  |

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| **1.5.3 Legislation and business** | | | |
| The purpose of legislation:   * principles of consumer law: quality and consumer rights * principles of employment law: recruitment, pay, discrimination and health and safety |  |  |  |
| The impact of legislation on businesses:   * cost * consequences of meeting and not meeting these obligations |  |  |  |
| **1.5.4 The economy and business** | | | |
| The impact of the economic climate on businesses:   * unemployment, changing levels of consumer income, inflation, changes in interest rates, government taxation, changes in exchange rates |  |  |  |
| **1.5.5 External influences** | | | |
| The importance of external influences on business:   * possible responses by the business to changes in: technology, legislation, the economic climate. |  |  |  |