**Year 10 Business GCSE**

**Theme 1 Revision – Traffic light review**

|  |  |  |  |
| --- | --- | --- | --- |
| **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.
 |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| 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
 |  |  |  |

|  |
| --- |
| **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.
 |  |  |  |