

Pro-study Booklet

Unit 1 – What is Business?

INDEPENDENT STUDY

PRO-STUDY

Prepare - Arrive at the lesson equipped with knowledge of the topic by completing weekly pro-study tasks, such as note-taking, watching video tutorials, or listening to a podcast

Process and reflect - on learning and fill gaps. Apply it to homework.



Business A Level 2024/25

Task 1 – Due w/c 09th of September

Completed

Aims and Objectives (Spec: 3.1.1)

You need to research and complete the questions below and bring them to the lesson. To help you answer the questions you need to read and make notes from SurrIDGE and Gillespie Chapter 1, p1-10. There are other resources to support you with this topic available if you click on the QR code.



An electronic copy of the textbook can be found on SharePoint till you get your own copy. In your notes you should make sure you write down a definition and an example of the key terms in your own words.

Key terms for this topic: Good/Service/Product/GDP/Mission Statement/Aims/Objectives

So here is the task:

1. What is the difference between an aim, an objective and a mission statement?

2. Give an example of a current business mission statement. (You will need to research this)





3. Why do objectives need to be SMART?

4. Produce a mini mind map of common business objectives:

5. State whether the following is a mission statement or an objective?
- a. To become the world's favorite car rental business (Mission/Objective)
 - b. To bring healthy eating to Wigan (Mission/Objective)
 - c. To achieve a 40% market share by the end of 2022 (Mission/Objective)

6. Explain why a rapidly expanding business should set clear business objectives.



Challenge work:

Podcast:

[Tech-Entrepreneur on a Mission \(evergreenpodcasts.com\)](http://evergreenpodcasts.com)



Task 2 – Due w/c 16th of September

Completed

Costs, Revenues and Profits (Spec: 3.1.1)

Key terms for this topic: Costs/ Revenue/Profit/Cash Flow/Stakeholders/Fixed Costs/Variable Costs/Average Costs/Total Costs/Semi Variable Costs

Watch the following **video** (click on QR code), make notes from SurrIDGE and Gillespie Chapter 1, p10-15. and complete the questions below:

<https://media.collyers.ac.uk/view2.aspx?id=13304~58~PtuMhpd0yb>



1. A business, JB Co has sales of 400 units at £8 each. Fixed costs are £1, 800 and variable costs are £3 per unit.
 - (a) Calculate current revenue and profit

- (b) Calculate the new revenue and profit if sales rise by 10%.

Ext: Explain why a 10% rise in sales leads to a 100% rise in profit?

Bring your answers, notes and any questions you might have to class.

There are other resources to support you with this topic available if you click on the QR code.

Challenge work: Why are some businesses able to set high prices for it's products and not suffer a large fall in sales and in sales revenue?



Task 3 – Due w/c 23rd of September

Completed

Understanding different business forms (ownership)

Key terms for this topic: Public Sector/Private Sector/Sole Trader/Unlimited liability/Limited liability/ Company/Incorporated/Shareholders/Dividends

Make notes from the Textbook: Surridge and Gillespie Chapter 2, p16-21 and 26-28. Use the following grid to scaffold your nos.

	Definition & Example	Pros	Cons	Sources of Capital (How is it financed?)	Distribution of profits and liability for losses.
Sole trader					
Private Limited Co (Ltd)					



	Definition & Example	Pros	Cons	Sources of Capital (How is it financed?)	Distribution of profits and liability for losses.
Public Limited Company (plc)					

1. What is meant by the term unlimited liability?
2. Why might an entrepreneur choose to be a sole trader instead of forming a private limited company?

Challenge work: Why might a growing business turn itself into a plc and ‘float’ its shares on the stock market and why might it not?

Podcast – Going Public – why not have a listen? <http://www.bbc.co.uk/programmes/b06gwfzx>



Task 4 – Due w/c 30th of September

Completed

Shareholders

Make notes from the Textbook: SurrIDGE and Gillespie Chapter 2, p23-26

Key terms for this topic: Market Capitalisation/Takeover/Privatisation/Share Price

Questions:

1. What is a shareholder?
2. What is their role?
3. Why would someone wish to buy shares in an organisation?
4. Explain what causes share prices to fluctuate?
5. As COVID moves increasingly into the background. What might be the effect on the share price of the following companies?
 - a) Peloton – manufacturer of exercise equipment
 - b) SAGA – holidays and services for over 50's
 - c) BP plc – Oil suppliers and retailer
6. What is market capitalization and how is it calculated?



7. Finn plc has a current share price of 75p and has issued 725 million shares. It currently has £275m in outstanding bank loans. What is the market capitalization?

8. True or False: If a plc's share price falls this immediately reduces the amount of cash that it has.

Bring your answers, notes and any questions you might have to class.

Challenge work: Consider this activity as a way to stretch and challenge yourself.

Go on the internet and find out the share prices of some companies.

<https://finance.yahoo.com/quote/AAPL/>

The link above is for Apple. You can usually find the ability is provided to see how the share price has fluctuated over time – up to 10 years usually. Why not print out some graphs?

Lastly – why not get involved in the **Share Trading Game** – just need a team of 4 and it is a National competition. Check out the information in the Enrichment section on the Business Sharepoint site.



Task 5 – Due w/c 7th of October

Completed

Other forms of Business Organisation

Make notes from the Textbook: Surridge and Gillespie Chapter 2, p21-23

Key terms for this topic: Cooperatives/Social Enterprise

Questions: Fill in this grid to get familiar with other forms of organization and then class time can go into the effects of the ownership on mission, objectives and decision making

	Definition	Example	Advantages	Disadvantages
Cooperatives Eg The Cooperative Group				



Public Sector Organisations Eg NHS				
Social Enterprises Eg CafeDirect				

Challenge work: Consider these activities as a way to stretch and challenge yourself.

Question – Why should a Social Enterprise be run like a business?

Activity - Some businesses have been found to be unethical in their pursuit of profit – eg Online gambling businesses. <https://www.bbc.co.uk/news/business-49284169>

Worryingly some charities have been accused of being too aggressive in seeking out donors. Follow the link for more info <http://www.bbc.co.uk/news/uk-england-bristol-32788128>



Task 6 – Due w/c 14th of October

Completed

*** Revise for an in-class assessment of the topics taught so far by both teachers. See the Homework and assessment schedule for more information.***

Introduction to External Influences on Business

Make notes from the Textbook: SurrIDGE and Gillespie Chapter 3, p30-38

Key terms for this topic: GDP/Income/Income Real/Interest rates/Demographics/Fair trade/Sustainability/Economy/Inflation.

Task 1:

1. What is meant by the term interest rates?

2. Explain whether the Bank of England should raise or cut interest rates in the following circumstances:
 - a) A sharp recession has hit the UK economy

 - b) House prices have risen by 16% in each of the last 2 years

 - c) Household incomes and spending have been rising rapidly

3. What is meant by the term demographic factors?

4. What is meant by the term market conditions?

5. What is meant by the term fair trade?



Task 2: Consider the following table and situations listed. Try to **fill in the remaining columns** – the situations are deliberately vague – if it helps to consider a specific point of view, then do that. Try to produce a chain of analysis.

Factor	Scenario	Impact on costs	Impact on demand
Competition	Marks and Spencer stop selling clothes due to losses.		
Market conditions	Sainsbury's looking to takeover Asda		
Incomes	A recession in the UK economy increases unemployment		
Inflation	High inflation in the UK		
Interest rates	Increase in interest rates		
Demographics	Increased immigration		
Environmental issues	The government regulates to force companies to reduce emissions		

Challenge work: Consider these activities as a way to stretch and challenge yourself.

Do some research and complete the following grid:

Current UK Interest Rate		Current Exchange Rate: £ v \$	
Current UK rate of Inflation		Current Exchange Rate £ v Euro	
Current UK unemployment rate			

