



Chosen Hill School

Edexcel A Level Business Course (9BSO)



Course Handbook 2023-24



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<ul style="list-style-type: none"> • Assignment Front Cover Sheet (to be attached and completed for <u>all</u> submitted work) • Blank Master File Check Form (To be completed ahead of teacher file checks) • Advice on how to do Cornell Style Note-Taking (required for this course) • Cornell Style Note-Taking Template • Sample Theme 1 and Theme 2 examination papers • Examiner's advice on how to structure the different types of essay question used for assessment on this course. 	

First Formal Assessment Tests will be held in the last week of September.

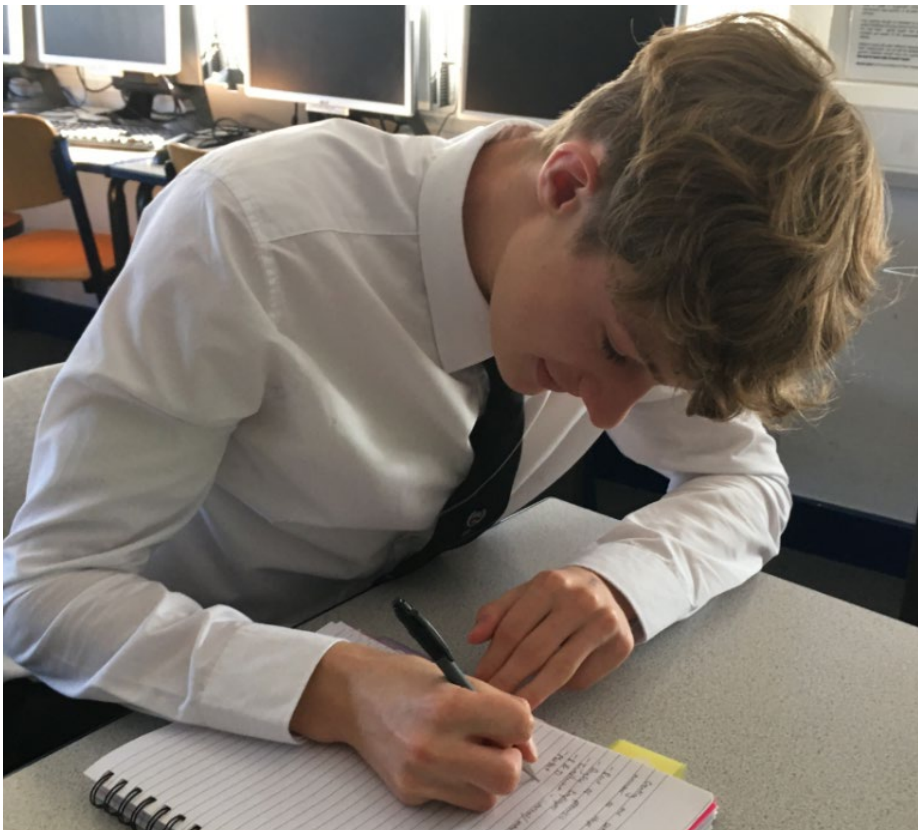
- A mix of short answer, data response and essay style questions will be set on the whole of Section 1: Introduction to Business

Overview of the Specification

What will I learn?

You will:

- Gain a broad understanding of business;
- Develop skills, knowledge and understanding for use in the business world and higher education;
- Apply learning in a practical way to what actually goes on in the real world;
- Follow a programme of study that enables progression to both higher education and employment within business;
- Develop Key Skills that are highly valued by employers and universities;
- Gain confidence through developing independent learning skills.



Who will teach me?

You will have a mix of specialist Business teachers throughout the 2-year course. These will include Mr. Bird, Mr. Singh and possibly Mr. Witham.

What work will I do?

The Edexcel Business A-Level comprises of 4 compulsory modules, which are externally examined in the summer of Year 13 in 3 synoptic examination papers:

You will be taught in an integrated, rather than thematic, approach. This should allow you to develop your synoptic reasoning skills; successfully link concepts taught across the following 4 themes in your examination answers:

Theme 1: Markets, Consumers and Firms.

In this theme, you will be introduced to the market, explore the marketing and people functions, investigate entrepreneurs and business start-ups. You will need to build upon the knowledge, skills and understanding developed in this theme when studying Theme 4, making connections across these two themes in Paper 1, and across Themes 1, 2, 3 and 4 in Paper 3. Therefore, you will need to apply your knowledge and understanding to both familiar and unfamiliar contexts in the assessments and demonstrate an awareness of current business issues.

This theme enables you to understand how businesses identify opportunities and to explore how businesses focus on developing a competitive advantage through interacting with customers. You will develop an understanding of how businesses need to adapt their marketing to operate in a dynamic business environment. This theme also considers people, exploring how businesses recruit, train, organise and motivate employees, as well as the role of enterprising individuals and leaders.

You must investigate different types and sizes of organisation in various business sectors and environments, and in local, national and global contexts.

To develop your knowledge, skills and understanding in business, you need to have acquired competence in quantitative skills that are relevant to and applied in the context of this theme

Assessment:

Internal assessment throughout Year 12

End of Year examination to ensure that you are on track to progress into Year 13

External Assessment in Paper 1 and Paper 4 in Year 13

Theme 2: Managing Business Objectives

In this theme, you will explore the finance and operations functions, and investigate external influences on business. You will need to build upon the knowledge, skills and understanding developed in this theme when studying Theme 3, making connections across these two themes in Paper 2, and across Themes 1, 2, 3 and 4 in Paper 3. Therefore, you will need to apply your knowledge and understanding to both familiar and unfamiliar contexts in the assessments and demonstrate an awareness of current business issues.

This theme enables you to develop an understanding of raising and managing finance, and measuring business performance. The theme outlines the importance of using resources efficiently within a business to ensure that goods or services can be delivered effectively and efficiently, and to a high quality.

You will also consider the external influences that have an impact on businesses, including economic and legal factors. You must investigate different types and sizes of organisation in various business sectors and environments, and in local, national and global contexts.

To develop their knowledge, skills and understanding in business, students need to have acquired competence in quantitative skills that are relevant to and applied in the context of this theme

Assessment:

Internal assessment throughout Year 12

End of Year examination to ensure on track to progress into Year 13

External Assessment in Paper 2 and 3 in Year 13

Theme 3: Managing Business Objectives

In this theme, you will develop your understanding of the concepts introduced in Theme 2 and explore influences on business strategy and decision-making. You will need to build upon the knowledge, skills and understanding developed in Theme 2 in this theme, making connections across these two themes in Paper 2, and across Themes 1, 2, 3 and 4 in Paper 3. Once again, you will need to apply your knowledge and understanding to both familiar and unfamiliar contexts in the assessments and demonstrate an awareness of current business issues.

This theme moves from functions to strategy, enabling you to develop your understanding of the core concepts and to take a strategic view of business opportunities and issues. You will analyse corporate objectives and strategy against financial and non-financial performance measures and how businesses grow, and develop an understanding of the impact of external influences.

The theme covers the causes and effects of change and how businesses mitigate risk and uncertainty. You must investigate different types and sizes of organisation in various business sectors and environments, and in local, national and global contexts.

To develop your knowledge, skills and understanding in business, students need to have acquired competence in quantitative skills that are relevant to and applied in the context of this theme

Assessment:

Internal assessment throughout Year 13

Internal Mock Examination mid-way through Year 13

External Assessment in Paper 2 and 3 in Year 13

Theme 4: Global Business

In this theme, you will develop your understanding of the concepts introduced in Theme 1 and activity in a global context. You will need to build upon the knowledge, skills and understanding developed in Theme 1 in this theme, making connections across these two themes in Paper 1, and across Themes 1, 2, 3 and 4 in Paper 3. Once again, you will need to apply your knowledge and understanding to both familiar and unfamiliar contexts in the assessments and demonstrate an awareness of current business issues.

You will investigate businesses that trade on a global scale and explore their reasons for doing so. You will develop an understanding of the globally competitive environment and consider the ethical and moral dimensions of global business activities.

You must investigate different types and sizes of organisation in various business sectors and environments, and in local, national and global contexts.

To develop your knowledge, skills and understanding in business, you will need to have acquired competence in quantitative skills that are relevant to and applied in the context of this theme

Assessment:

Internal assessment throughout Year 13

Internal Mock Examination mid-way through Year 13

External Assessment in Paper 1 and 3 in Year 13

Important Note:

- *You must pass your Year 12 End of Year Continuanace Exams to progress into Year 13.*
- *All external assessments that count towards recognised qualifications and accrue UCAS points will be conducted during May – June of Year 13*

You are requested to read the books/resources listed in this booklet in order to develop the wider knowledge required to fully access the course and participate in class discussions. *If you have any questions, please ask.*

External Examination Assessment Criteria and Methods

Paper 1: Marketing, people and global businesses	
*Paper code: 9BS0/01	
<ul style="list-style-type: none"> Externally assessed Availability: May/June First assessment: 2017 	35% of the total qualification
Overview of content Paper 1 will assess marketing, people and global businesses. Questions will be drawn from Themes 1 and 4, and from local, national and global contexts.	
Overview of assessment <ul style="list-style-type: none"> Written examination. The paper comprises two sections. Students answer all questions from both sections. Sections A and B each comprise one data response question broken down into a number of parts, including one extended open-response question. Duration: 2 hours. 100 marks available. 	

Paper 2: Business activities, decisions and strategy	
*Paper code: 9BS0/02	
<ul style="list-style-type: none"> Externally assessed Availability: May/June First assessment: 2017 	35% of the total qualification
Overview of content Paper 2 will assess business finance and operations, business decisions and strategy. Questions will be drawn from Themes 2 and 3, and from local, national and global contexts.	
Overview of assessment <ul style="list-style-type: none"> Written examination. The paper comprises two sections. Students answer all questions from both sections. Sections A and B each comprise one data response question broken down into a number of parts, including one extended open-response question. Duration: 2 hours. 100 marks available. 	

Paper 3: Investigating business in a competitive environment	
*Paper code: 9BS0/03	
<ul style="list-style-type: none"> Externally assessed Availability: May/June First assessment: 2017 	30% of the total qualification
Overview of content Paper 3 will assess content across all four themes. Questions will be drawn from local, national and global contexts. For Paper 3, there will be a pre-released context document issued on our website in November of the previous year. A new context will be given to centres each year and will relate to the examination series for the following summer. The context will focus on a broad context, such as an industry or market in which businesses operate. The question paper will be in two sections. The first section will focus on the broad context provided. This will be outlined to centres through the pre-released document. Questions will focus on the broad context. The second section will focus on at least one strand within the context provided, such as a particular business. Each section will contain unseen stimulus materials comprising quantitative and qualitative evidence. Students are required to apply their knowledge and understanding from Themes 1, 2, 3 and 4 and their understanding of the broad context to this evidence. Students cannot take any of their research or investigation data carried out as part of the pre-release into the examination.	
Overview of assessment <ul style="list-style-type: none"> Written examination. The paper comprises two sections. Students answer all questions from both sections. Sections A and B each comprise one data response question broken down into a number of parts, including one extended open-response question. Duration: 2 hours. 100 marks available. 	

Quantitative Skills You Will Need to Develop

Throughout your course of study, you will need to develop competence in the quantitative skills listed below. There are opportunities for you to develop these skills throughout the content and you will be required to apply these skills to relevant business contexts.

The assessment of quantitative skills will include at least Level 2 mathematical skills as a minimum of 10% of the overall marks for this qualification.

Quantitative skill number	Quantitative skill
QS 1	calculate, use and understand ratios, averages and fractions
QS 2	calculate, use and understand percentages and percentage changes
QS 3	construct and interpret a range of standard graphical forms
QS 4	interpret index numbers
QS 5	calculate cost, revenue, profit and break-even
QS 6	calculate investment appraisal outcomes and interpret results
QS 7	interpret values of price and income elasticity of demand
QS 8	use and interpret quantitative and non-quantitative information in order to make decisions
QS 9	interpret, apply and analyse information in written, graphical and numerical forms

You will need to learn the following accounting ratios for this qualification:

Statement of comprehensive income

	Ratio name	Ratio formula
Revenue	Gross profit margin	$\frac{\text{Gross Profit}}{\text{Revenue}} \times 100\%$
- Cost of sales		
= Gross profit		
- Other operating expenses	Operating profit margin	$\frac{\text{Operating Profit}}{\text{Revenue}} \times 100\%$
= Operating profit		
- Interest	Profit for the year (net profit) margin	$\frac{\text{Profit for the year (net profit)}}{\text{Revenue}} \times 100\%$
= Profit for the year (net profit)		

Statement of financial position

	Ratio name	Ratio formula
Non-current assets	Current ratio Acid test ratio (liquid capital ratio)	$\frac{\text{Current assets}}{\text{Current liabilities}}$ $\frac{\text{Current assets} - \text{Inventory}}{\text{Current liabilities}}$
+ Current assets		
- Current liabilities		
- Non-current liabilities	Gearing ratio	$\frac{\text{Non-current liabilities}}{\text{Capital employed}} \times 100\%$
= Net assets		
Share capital	Gearing ratio	$\frac{\text{Non-current liabilities}}{\text{Capital employed}} \times 100\%$
Retained profit		
= Total equity		

	Ratio name	Ratio formula
Operating profit: from statement of comprehensive income	Return on Capital Employed (ROCE)	$\frac{\text{Operating Profit}}{\text{Capital employed}} \times 100\%$
Capital employed: from statement of financial position		

Summary Scheme of Work and Progress Checklist (Edexcel A Level Business (Integrated Approach))

*Rag-rate each Section as you progress through the course (**Red** – below target, **Amber** on target, **Green** – exceeding target)

What Will I be Learning: with Mr. Witham/Mrs. Watt-Mower, Year 12			What Progress am I Making? (Self-Assessment)*			
Week	Topic	Content	DST Completed	AFL Tasks	Remedial Work	On Track Y/N
1-3	Introduction to business Topics from: 1.5 Entrepreneurs and leaders and 1.1 Meeting customer needs	1.5.3 Business objectives: Introduction – what is a business and why start one? Outline and examples of objectives 1.5.1 Role of an entrepreneur: What entrepreneurs do; Problems and barriers they face. 1.5.2 Entrepreneurial motives and characteristics: Characteristics and skills; Motivations for becoming an entrepreneur				
4 - 6		1.5.4 Forms of business: Legal organisation and features; The factors that lead to these forms. 1.5.5 Business choices: Opportunity costs, choices and trade-offs. 1.1.1 The market: Mass markets and niche markets; Dynamic markets				
7 -8		1.1.2 Market research Product and market orientation, Methods of market research, Uses and limitations of these methods Market segmentation from market research results 1.1.3 Market positioning How businesses use market research information				
9-11	Introduction to finance Topics from: 2.1 Raising finance	2.1.1 Internal finance 2.1.2 External finance: Sources and methods of finance; The distinction between the two 2.1.3 Liability: Legal implications; Finance implications				
12		2.1.4 Planning: Business planning; Cash flow forecasts (as stand-alone and part of the business plan); Use and limitations of cash flow forecasts				
13-15	Business objectives Topics from: 3.1 Business objectives and strategy and 3.4 Influences on business decisions	3.1.1 Corporate objectives: Development and levels; Critical appraisal of these and their presentation 3.4.1 Corporate influences: The timescales on which businesses work; Influences on decision-making 3.4.4 Business ethics: Trade-offs between profit and ethics and how this relates to objectives				
16	Business influences Topics from: 3.4 Influences on business decisions	3.4.3 Shareholders versus stakeholders: Examples of stakeholders and their objectives; Influences on business objectives; Conflicts between stakeholders and stakeholders and the business				
17		3.4.2 Corporate culture: How culture is formed in relation to objectives, ethics, etc.; Categorising culture and assessing its strength				
18-21	Business growth Topics from: 3.2 Business growth	3.2.1 Growth: How and why businesses grow; Problems of growth 3.2.2 Mergers and takeovers: Reasons; Different categories/directions. 3.2.3 Organic growth: Compare and contrast with mergers and takeovers, and reasons for staying small 3.2.4 Reasons for staying small: Links to new, highly competitive markets; Avoidance of diseconomies of scale				
22	Business strategy Topics from: 3.1 Business objectives and strategy	3.1.2 Theories of corporate strategy: Ansoff, Porter, Boston Matrix; Strategic and tactical decisions				
23-24		3.1.3 SWOT analysis 3.1.4 Impact of external influences: PESTLE analysis				
25 -29	People in business Topics from: 1.4 and 1.5 Managing people 3.5 Assessing competitiveness	1.4.1 Approaches to staffing: Individual and collective methods and approaches 1.4.2 Recruitment, selection and training: Methods; Costs and benefits				
		1.4.3 Organisation design: Key features and terminology; Strengths and weaknesses of different models				
		1.5.6 Moving from entrepreneur to leader: Challenges.				
		3.5.3 Human resources: Quantitative measures of HR performance.				
EXAM READINESS						
30 - 32	Exam Readiness	A Range of activities to help guide your revision and assess your continuance examination readiness.				
33-34	Continuance Examination Period					

35 - 37	Post Examination Activities	Lessons Learned, remedial work as appropriate				

What Will I be Learning: Mr. Bird, Year 12

What Will I be Learning: Mr. Bird, Year 12			What Progress am I Making? (Self-Assessment)			
Week	Topic	Content	DST Completed	AFL Tasks	Remedial Work	On Track Y/N
1-6	Introducing the market Topics from: 1.2 The market	1.2.1 Demand: Introduction to the demand curve; Discuss movement along and of the demand curve, and factors influencing this. 1.2.2 Supply: Introduction to the supply curve; Discuss movement along and of the supply curve, and factors influencing this. 1.2.3 Markets: Combine work in demand and supply to illustrate price determination in a market				
7-10		1.2.4 Price elasticity of demand (PED): Calculation of PED; Interpretation of PED and its importance to businesses 1.2.5 Income elasticity of demand (YED): Calculation of YED; Comparison contrast to PED; Interpretation of YED and its importance to businesses.				
11-14		1.3.1. Product and Product Design 1.3.2 Branding and promotion: Types of promotion.				
15-16		1.3.3 Pricing strategies: Different strategies; Changes in, and factors determining, these strategies				
17-19		1.3.4 Distribution: Methods; Changes in channels used. 1.3.5 Marketing strategy; The product life cycle and extension strategies; Boston Matrix; Consumer behaviour; How the marketing mix changes in response				
19-26		4.2.2 Assessment of a country as a market 4.2.3 Assessment of a country as a production location Contrast the two, and compare and contrast factors 2.5.2 Legislation Different areas of businesses affected by legislation Differences between legislation across countries and markets 4.3.1 Marketing: On a global scale; Strategic choices for different markets				
27-29		4.3.3 Cultural and social issues: Influences on marketing strategy 4.3.4 Niche markets: Features and how these interact with cultural and social issues				
27-29		People in business Topics from: 1.4 Managing people	1.4.4 Motivation in theory and practice: Importance of motivation; Motivation theories; Financial and non-financial incentives 1.4.5 Leadership: Management and leadership; Types/methods; Links between leadership and motivation			
EXAM READINESS						
30 - 32	Exam Readiness	A Range of activities to help guide your revision and assess your continuance examination readiness.				
33-34	Continuance Examination Period					
35-36	Post Examination Activities	Lessons Learned, remedial work as appropriate				

37 -	Introduction to the pre-released context	Introduction to the broad pre-released context (available from June) for A level Paper 3. Launch of summer research project which is your into Year 13 Bridging Work				
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What Will I be Learning: Teacher Mr. Bird, Year 13			What Progress am I Making? (Self-Assessment)			
Week	Topic	Content	DST Completed	AFL Tasks	Remedial Work	On Track Y/N
1 - 2	Globalisation Topics from: 4.1 Globalisation 7 8	4.1.1 Growing economies Measurements of different economies and economic performance Business opportunities				
3 - 4		4.1.2 International trade and business growth Specialisation of economies and business growth via trade				
5 - 6		4.1.3 Factors contributing to increased globalisation External factors (link to PESTLE)				
7		4.1.4 Protectionism Threats posed to economies and businesses and reactions to these				
8		4.1.5 Trading blocs As a reaction to protectionism between countries; Opportunities and threats to businesses				
End of Term 1 Holidays – Year 13						
9	Business expansion Topics from: 4.2 Global markets and business expansion	4.2.1 Conditions that prompt trade Push and pull factors for businesses				
10 - 11		4.2.4 Reasons for global mergers or joint ventures 4.2.5 Global competitiveness How this is achieved and can be enhanced through working with other businesses				
12-13	Global business Topics from: 4.4 Global industries and companies	4.4.1 The impact of MNCs: Local impacts versus national impacts				
14		4.4.2 Ethics Ethical discussions raised by the activities of MNCs				
15 - 16		4.4.3 Controlling MNCs Possibilities and practicalities				
End of Term 2, Christmas Holidays – Year 13						
17	Mock Paper 1 Exam Preparation and Assessment	Mock Paper 1 exam preparation				
18		Mock exam week				
17	Changing businesses Topics from: 3.6 Managing change	3.6.1 Causes and effects of change				
18		D.I.R.T Activities - Responding to mock exam feedback				
19		3.6.2 Key factors in change Link to topics covered within this theme				
20		3.6.3 Scenario planning to reduce risk				
End of Term 3 Holidays – Year 13						
21- 26	Focused Preparation work for Paper 3 – Synoptic Case Study Paper	Specific topics related to exam board chosen topic/industry – will be different each year – details to follow				
End of Term 4, Easter Holidays – Year 13 – Revision activities will be set						
27 -	Examination readiness	Continue with Actual A-Level Examination Preparation Revision of Themes 1, 2, 3 and 4.				

What Will I be Learning: Teacher Mr. Witham/Mrs. Watt-Mower Year 13			What Progress am I Making? (Self-Assessment)			
Week	Topic	Content	DST Completed	AFL Tasks	Remedial Work	On Track Y/N
1-3	Introduction to sales forecasts Topics from: 2.2 Financial planning	2.2.1 Sales forecasting: Sales forecasting purpose and factors influencing sales forecasts; Difficulties with forecasting. 2.2.2 Sales, revenue and costs: Calculation of sales revenue and volume, and link to sales forecasting data 3.3.1 Quantitative sales forecasting: Times series analysis calculations; Uses and limitations of quantitative sales forecasting				
4-5	3.3 Decision-making techniques	2.2.3 Break-even Numerical calculation, Graphical presentation and interpretation, Uses and limitations of break-even analysis				
6-7	Business finance Topics from: 2.2 Financial planning 2.3 Managing finance 3.5 Assessing competitiveness	2.3.1 Profit Distinction between profit and cash 2.3.1 Profit Calculation (and link to break-even), Statement of comprehensive income (profit and loss account) – introduction and key features 3.5.1 Interpretation of financial statements Statement of comprehensive income (profit and loss account) and interested stakeholders				
8		2.2.4 Budgets Purpose and types of budgets, Variance analysis, Difficulties of budgeting				
9		2.3.2 Liquidity Statement of financial position (balance sheet) – introduction and key features, Working capital (link to cash) 3.5.1 Interpretation of financial statements Statement of financial position (balance sheet) and interested stakeholders				
10 - 11		3.5.2 Ratio analysis Calculation and interpretation, Uses and limitations				
End of Term 1 Holidays – Year 13						
12 - 13	Business operations Topics from:	2.4.1 Production, productivity and efficiency Methods of production, Productivity and efficiency 2.4.2 Capacity utilisation Calculation, implications and ways of improving capacity utilisation				
14 - 16	2.4 Resource management	2.4.3 Stock control Diagrams and key features, Different methods and advantages gained from each 2.4.4 Quality management Methods, costs and benefits, Links between stock control and quality management				
End of Term 2, Christmas Holidays – Year 13						
17	Mock Paper 1 Exam Preparation and Assessment	Mock Paper 1 exam preparation				
18		Mock exam week				
19		D.I.R.T Activities - Responding to mock exam feedback				
20	Business decision-making Topics from: 3.3 Decision-making techniques 2.3 Managing finance	3.3.2 Investment appraisal Methods, calculation and interpretation, Uses and limitations				
20		3.3.3 Decision trees Construction and interpretation, Uses and limitations				
22		3.3.4 Critical Path Analysis Completion and interpretation, Uses and limitations 2.3.3 Business failure Financial: link to cash, profit and liquidity				
End of Term 4, Easter Holidays – Year 13 – Revision activities will be set						
21- 26	Focused Preparation work for Paper 3 – Synoptic Case Study Paper	Specific topics related to exam board chosen topic/industry – will be different each year – details to follow	21- 26	Focused Preparation work for Paper 3 – Synoptic Case Study Paper	Specific topics related to exam board chosen topic/industry – will be different each year – details to follow	21- 26
27 -	Examination readiness	Continue with Actual A-Level Examination Preparation Revision of Themes 1, 2, 3 and 4.				

Year 12 A-Level Independent Study Schedule

(Term 1 only - to help your initial Organisation)

Note: You are free to allocate these tasks to DST or to home learning, to best suit your individual learning needs/practises, as long as work is done before it is required; either for in the classroom, for submission deadline or for a scheduled exam hour.

WW/W-M		IB
Summer Work	Advanced Chapter Notes and wider reading on Theme 1.5.3 Business Objectives	Advanced chapter notes and wider reading on Theme 1.1 The Market
Week 1		Completion of bridging task: Holiday Market Case Study
Week 2	Assessment task on Business Objectives & advanced chapter notes and wider reading on 1.5.1 Role of an Entrepreneur.	Responding to feedback given on Bridging Task & Advanced Chapter notes and wider reading on Theme 1.2.1 Demand (Chapter 4)
Week 3	Responding to feedback given on Business Objectives & advanced chapter notes and wider reading on 1.5.2. Entrepreneurial motives ad characteristics.	Assessment task on Demand & advanced chapter notes and wider reading on 1.2.2 Supply and 1.2.3. Markets.(Chapter 5 and 6)
Week 4	Assessment task on Entrepreneurs role, motives and characteristics & advanced chapter notes and wider reading on 1.5.4. Forms of Business.	Responding to feedback given on Demand & advanced chapter notes and wider reading on 1.2.4. Price Elasticity of Demand. (Chapter7)
Week 5	Responding to feedback given on Entrepreneurs role, motives and characteristics & advanced chapter notes and wider reading on 1.5.5. Business Choices.	Assessment task on Demand & Supply and markets & advanced chapter notes and wider reading on 1.2.5 Income Elasticity of Demand. (Chapter 8)
Week 6	Assessment task on Business Choices & advanced chapter notes and wider reading on 1.1.1. The Market (Mass, Niche, Dynamic).	Responding to feedback given on Demand & Supply and markets & advanced chapter notes and wider reading on 1.3.2. Branding and Promotion. (Chapter 10)
Week 7	Responding to feedback given on Business Choices & advanced chapter notes and wider reading on 2.1.1. Internal Finance.	Assessment task on Branding and Promotion & advanced chapter notes and wider reading on 1.3.3 Pricing Strategies (Chapter 11)
Holiday Work	Assessment task on Internal Finance & advanced chapter notes and wider reading on 2.1.2. External Finance.	Responding to feedback given on Branding and Promotion & advanced chapter notes and wider reading on 1.3.4. Distribution. (Chapter 12)

Edexcel A-Level Business Course Reading List

(You must purchase the resources highlighted in **bold text** – Many can be purchased from Amazon Second hand and at very low cost – Please acquire before September of Year 12)

Principal Course Texts – Must Have:		
Title	Author	Publisher
Edexcel AS/A level Business 5th Edition Student Book and ActiveBook	Hall et Al	Pearson
Revision Guide and Workbook Year 12	Andrew Redfern	Pearson
Course Companions All 4 Themes (Centrally Sourced by school – letter-requesting payment issued during first week of September).	Richard Kemp	Zig-Zag Education
Other Main Texts – available on Loan from the Library		
Marketing and People: Theme 1 for Edexcel Business as and A Level	Alan and Ellis, Brian, 2015	Hewison,
Managing Business Activities: Theme 2 for Edexcel Business AS and A Level	Alan and Ellis, Brian, 2015	Hewison,
Business Decisions and Strategy: Theme 3 for Edexcel Business A Level (Year 2)	Alan and Ellis, Brian, 2015	Hewison,
Global Business: Theme 4 for Edexcel Business A Level Year 2	Alan and Ellis, Brian, 2015	Hewison,
A-Z Business Studies Handbook + Online 6th Edition	David et al, 2009	A-Z
Business Review Magazine - Periodical	Waterhouse et al	Hodder Education
Business Studies 4th Edition Hall, Dave et al, 2008		
Just for Fun: Additional texts – Available at low cost (Second-hand on Amazon and on loan from the Library)		
The Business Book (Big Ideas)	Edited from various contributors, 2014	[ISBN-13: 978-1409341260]
Like A Virgin: Secrets They Won't Teach You at Business School	Branson, Sir Richard, 2013	[ISBN-13: 978-0753519929]
Leading	Ferguson, Alex and Moritz, Michael, 2016	[ISBN-13: 978-1473621640]
The 7 Habits of Highly Effective People Paperback	Stephen R. Covey, 2004	[ISBN-13: 978-0684858395]
The Essence of Success: 12 Mini Biographies	Includes Richard Branson, Bill Gates, Nelson Mandela, Steven Spielberg, Stephen Hawking, Chris Evans, Frank Sinatra, Tony Blair, Imran Khan, Malcolm X, James Dyson, Margaret Thatcher, 2014	[ISBN-13: 978-1503052406]
What You See Is What You Get: My Autobiography	Alan Sugar, 2011	[ISBN-13: 978-0330520478]
Strong Woman: The Truth About Getting To The Top	Karren Brady, 2013	[ISBN-13: 978-0007416141]
Steve Jobs: The Exclusive Biography	Walter Isaacson, 2015	[ISBN-13: 978-0349140438]
Alternative Revision resource	Andrew Hammond	Hodder Education

Useful Websites:

www.Tutor2u.net

www.bbc.co.uk/news

www.FT.com

www.bbc.co.uk/education (BBC Bitesize)

www.gov.uk/government/organisations/companies-house

www.ons.gov.uk (UK's Office for National Statistics)

www.thegrocer.co.uk (FMCG industry magazine)

www.economist.com (Economic magazine)

www.youtube.com

TV Programmes:

The Apprentice

The Young Apprentice

Dragons' Den

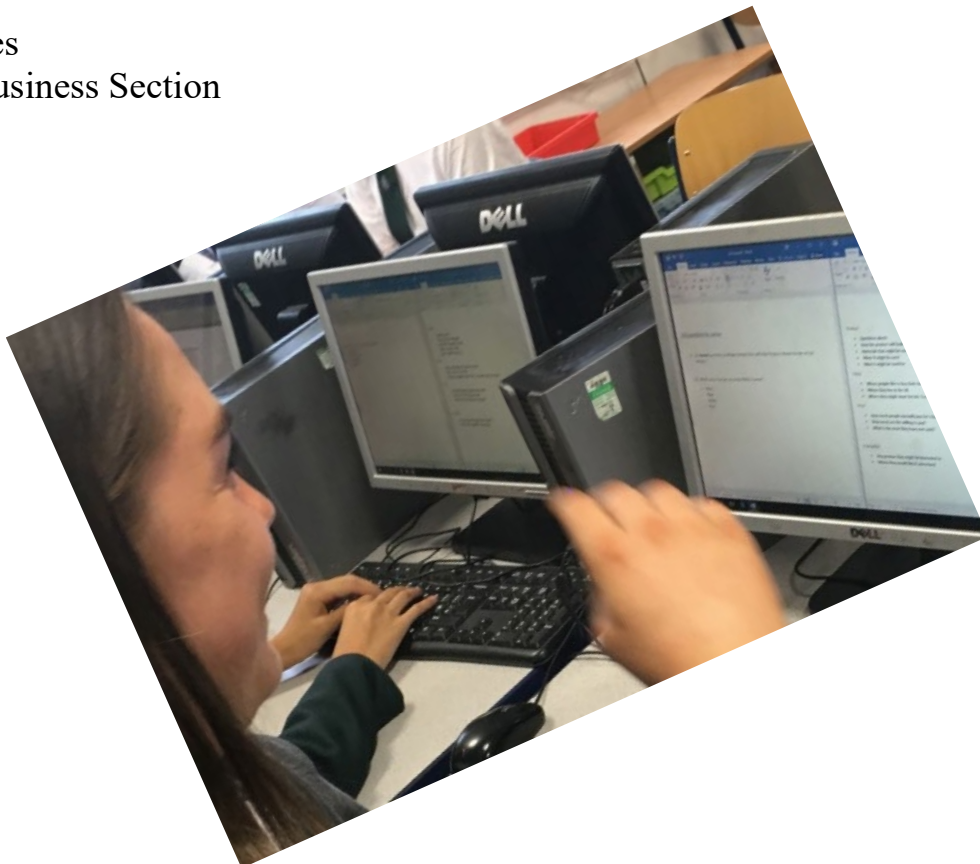
Panorama

BBC Business News (Any!)

Newspapers:

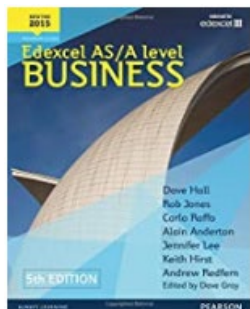
Financial Times

Telegraph – Business Section



Pre-Course Administration and Preparation Tasks:

1. Purchase your course textbook, via this link:



Edexcel AS/A level Business 5th Edition Student Book and Active Book

Find on: https://www.amazon.co.uk/Edexcel-level-Business-Student-ActiveBook/dp/1447983548/ref=sr_1_3?hvadid=3170080223&hvbm=bp&hvdev=c&hvqmt=p&keywords=edexcel+a+level+business&qid=1571926745&sr=8-3

2. Purchase your course companions - pay the remittance via the School Gateway System.
3. Purchase/loan the other books on your reading list (Refer back to Page 10 – recommend you purchase second hand from Amazon).
4. Purchase an A4 'Lever Arch' folder, divide into 2 sections and insert a set of file dividers with the following tab headings as detailed below:

Mr. Singh:

1. Introduction to Business
2. Introduction to Finance
3. Business Objectives/Business Influences
4. Business Growth/Business Strategy
5. Continuance Examination Readiness

Mr. Bird:

1. Introducing the Market
2. People in Business
3. Introduction to Sales Forecasts
4. Continuance Examination Readiness
5. Pre-Release/Bridging Work

Year 12 into 13 Summer Bridging Work – P.E.S.T.L.E. Analysis Project and Presentation

Year 13:

1. Business Finance/Operations/Decision-Making/External Influences
2. Globalisation
3. Business Expansion/Global Business/Changing Businesses
4. Actual A-Level Examination Readiness
5. Print off the Summary Scheme of Work and Progress Checklist along with the File Checklist, Self- and Peer- Assessment Form (See appendices), enlarged to A4, put in the front of your notes folder ready to use as a blank master throughout the course.
6. Print off the Skills Map and annotate it with your current skill-sets

All these activities MUST be completed for the start of your first lesson in Year 12

Initial Course Suitability Assessment Task

Using the following web-based resources, answer the questions below:

<https://youtu.be/OV2zbaMr-c>

<https://www.slideshare.net/revisionstation/111-edexcel-as-business-the-market>

<https://youtu.be/RDdCOCcd-e8>

1. What is the definition of a 'Market'?
2. What's the difference between a mass market and a niche market?
3. Give TWO examples of firms that operate in a mass market.
4. Give TWO examples of firms that operate in a niche market.
5. List 3 key advantages to a firm of operating in a mass market.
6. List 3 key disadvantages to a firm of operating in a mass market.
7. List 3 key advantages to a firm of operating in a niche market.
8. List 3 key advantages to a firm of operating in a niche market.
9. Operating in a mass market often results in a reduced profit margin on each item sold, why? State the key reasons.
10. Markets are often said to be 'dynamic'. Why and what are the consequences for firms that operate in dynamic markets?
11. List 3 key reasons why markets are dynamic.
12. List 6 typical business objectives firms may have.
13. List 4 key reasons why objectives differ between businesses.
14. When will the aim of the firm be most likely to be other than profit maximisation? Explain your answer.

Summer Bridging Work

Case Study



The holiday market

Thomson, the holiday company, expected over one million people to visit their shops or website on 10th January 2015. Some 37,000 customers were then expected to book within 24 hours. Thomson is part of the TUI group, the largest leisure, travel and tourism company in the world. Taking all these holidaymakers away over the coming year, Thomson Airways will carry over 78,000 tonnes of luggage, flying over two million miles to 73 holiday destinations.

In the early 1980's, after a period of travelling in Asia, Tim Greening and Glenn Rowley decided to set up a travel company with a difference. Named after their most recent expedition to K2 at the heart of Pakistan's Karakoram Mountains, the company became 'The Karakoram Experience'. Today, as KE Adventure Travel, that same company has grown to become a leading independent adventure travel company specialising in travel to the world's highest peaks, and untamed wilderness areas.

Source: Theme 1 for Edexcel Business AS and A Level (Hewison et al, 2015)

Do your own independent research and answer the following questions (remember to reference your sources of information in a bibliography at the end of your work).

Questions:

1. What sort of markets do Thomson and KE Adventure operate in? Explain your answer – remember to use evidence. (6)
2. Explain the benefits for each company of operating in their chosen markets. (6)
3. Identify and explain 2 key disadvantages to each business that could result from the type of market in which they operate. (6)

Intentionally Blank

Appendices



Assignment Front Cover Sheet

To be attached to the front of all formal assessment tasks and completed ahead of submission:

Question Title:

Student Self- Assessment:

Target:

Date:

Name:

I have read through my work, prior to submission, annotating where I gained the marks and have highlighted the following improvements in blue:

-
-
-

Peer/Teacher Assessment:

Date:

Initials:

Your work is good because:

-
-
-
-

In order to improve you should:

-
-
-
-

I have reviewed my peer's/teacher's comments, and improved my work by doing the following:

-
-
-

I have checked these improvements with my teacher.

Date:

Initials:

Agreed (teacher):

File Check Form

To be completed ahead of each teacher review of your notes folder (scheduled for one review every term = six times per academic year):

A Level Business Check Form



Student _____ Staff _____ IB _____

Date:

CHECKLIST ITEMS	TICK IF 'YES'		COMMENT
	STUDENT	STAFF	
Organisation:			
Is your work in a secure folder (e.g. ring binder)			
Is a Summary Scheme of Work and Progress Checklist included at the front of the file?			
Has the Summary Scheme of Work and Progress Checklist been 'checked off'/rag-rated by student to ensure full coverage of the topic?			
Is the work organised into sections which relate to the specification?			
Is there a glossary of key terms			
Notes:			
Are the notes readable? Is there a space between points?			
Are there headings and subheadings?			
Are there diagrams? Are they clear and informative?			
Are extended answers /exercises included? (With associated hand-outs or VLE downloads)			
Is there evidence of working outside of the classroom to improve knowledge and understanding/ review and transform of class notes			Evidence you have been using your recommended reading list
Assessment & acting on feedback (Give details)	Tick if Yes Student Staff		COMMENT
Is there evidence of assessed work:			
Is there clear action taken based on feedback:			Response to all teacher feedback is expected – and will be fundamental to passing this file check.
What are the key areas to prioritise: • • •			

SUBMIT YOUR FOLDER WHEN YOU HAVE TICKED 'YES' TO ALL OF THE ABOVE –BUT DON'T MISS THE DEADLINE

FILE: PASS/FAIL DATE FOR RESUBMISSION (IF NECESSARY) _____

A Level Business

- Master skills 1-6 by:
- Submitting logical, accurate, detailed and balanced essays that specifically answer the question and self-evaluate your progress.

- Conduct effective, pro-active independent research and be well-organised

- Select valid and appropriate evidence
- Find positive statements and valid normative statements
- Through wider-reading and effective use of DST.
- Store in notes folder.

- Use the recommended essay structure and add a A.J.I.M. conclusion.
- Self- and peer assess work and make corrections prior to submission to teacher.
- Rag-rate your progress on the checklist in your handbook and respond to all feedback
- Re-draft work to improve grade and resubmit
- Seek additional help – peer mentoring, 1:1 teacher workshops.
- Make effective use of DST
- Challenge yourself to be resilient and never to repeat prior mistakes
- Revise effectively: Systematically and thoroughly

- Make decisions.

Confidently decide on the best outcome for a business/economy in a given scenario

Student Name:

Reviewed and updated Date:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

- Demonstrate ability to clearly communicate knowledge of Business concepts.

- Key term definitions
- Accurate S.P.a.G.

- Be able to identify and use relevant business theory to build arguments that support and counter a range of potential outcomes for a given business scenario.

- Apply knowledge of valid theory and counter arguments by using:
- Accurate Cornell Style notes,
- DST research,
- Asking questions in lessons,
- 1:1 workshops with teacher as appropriate.

- Discussion of all relevant internal and external business factors. F.M.O.P.S. factors evident in analytical/evaluative answers.
- Use of P.E.E.C.H. paragraphs for supportive – and, where relevant, counter arguments.

- Confidently discuss a range of potential positive/negative outcomes for a business/economy in depth and in context

An A* grade student has mastered all these skills.

- Be able to validate academic arguments through effective application of empirical evidence from case studies, independent research/course resources/reading list sources, etc.

- S.C.O.R.E. the evidence
- Support all points by the use of :
 - Positive statements.
 - Qualitative and valid quantitative data

- Add a conclusion that has a clear decision. (Normative statement)
- Justify that decision – explain why it is more compelling than alternative option(s).
- Explain why alternatives are discounted.
- Include an 'it depends statement – what might change your mind? Why?

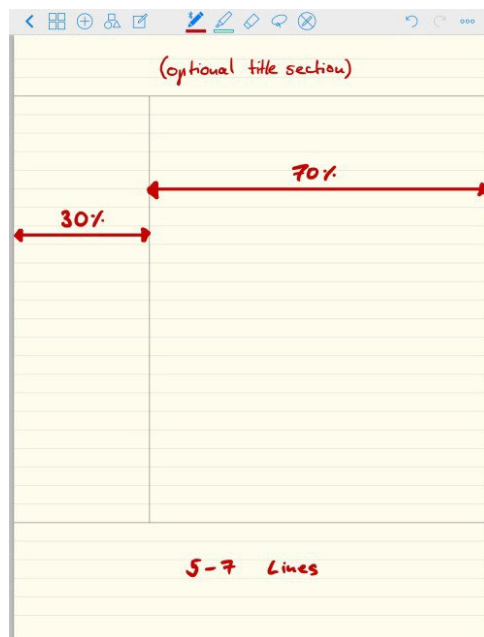
Cornell Note Taking

The Best Way to Take Notes Explained

There are many different ways of taking notes in school or at the university. Some prefer to take a structured approach and use an outline method to take notes, some may prefer a visual way and draw mind maps, some may even use no structure at all. However, there is **one note-taking technique that is superior to others** in many cases and science has proven that it is not only more efficient but also makes it a lot easier to review notes, for example when preparing for an exam.

The technique we are referring to is called “**Cornell Note Taking**”. It is a system for taking, organizing and reviewing notes and has been devised by Prof. Walter Pauk of Cornell University in the 1950s.

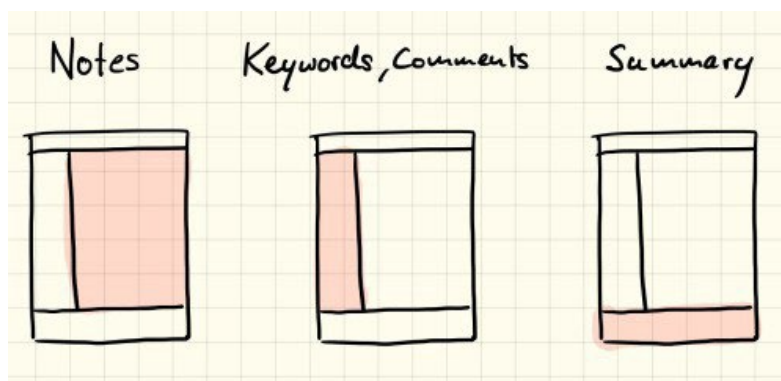
It requires very little preparation, which makes it ideal for note taking in class. The page will be divided into 4—or sometimes only 3—different sections: Two columns, one area at the bottom of the page, and one smaller area at the top of the page:



The idea behind this is very easy. All actual notes from the lecture go into the main note-taking column.

The smaller column on the left side is for questions about the notes that can be answered when reviewing and keywords or comments that make the whole reviewing and exam preparation process easier.

When reviewing the notes, a brief summary of every page should be written into the section at the bottom:



So,
for
an

TITLE		Date
Keywords	• Main notes	
	• ideally, using abbreviations	
Questions	• Key thoughts	
SUMMARY		

why should you use it?

Besides being a very efficient way of taking great notes in class, Cornell note-taking is **THE** perfect tip exam preparation.

Why you might ask?

The system itself encourages you to reflect on your notes by summarizing them briefly in your own words.

Often, this can already be enough to remember study notes and to successfully pass an exam.

When reviewing your notes, it is useful to re-order objects on the page, for example, to add a solution to answer on the side to the notes. Apps like GoodNotes, help you to accomplish these tasks when notes are taken on an iPad/Laptop.

We believe in the power of the system since it allows you to take, review and organize notes in a shorter time. Not only is it very efficient but it can also help you to achieve better grades in your exams. This is why we have included a Cornell note-taking template in the appendices to this booklet and to encourage everyone to try it out

We hope that this tip for better note taking helps you to prepare yourself more efficiently for exams or the next lesson. If Cornell Notes is not the right method for you, we recommend reading an overview of the most common note-taking methods and when to use them:

<https://medium.goodnotes.com/the-best-note-taking-methods-for-college-students-451f412e264e>

Cornell Note-Taking Template

Cornell Notes

Name

Date

Topic

Subject

Main Ideas

Notes

Summary

Sample Examination Paper – Paper 1

Write your name here	
Surname	Other names
Pearson Edexcel	Centre Number
Level 3 GCE	Candidate Number
Business	
Advanced Subsidiary	
Paper 1: Marketing and People	
Thursday 19 May 2016 – Afternoon	Paper Reference
Time: 1 hour 30 minutes	8BS0/01
You do not need any other materials.	Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided
– *there may be more space than you need.*

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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PEARSON

Answer ALL questions.

SECTION A

Read Extract A before answering Question 1.

Write your answers in the spaces provided.

Extract A

Aston Martin set for shake-up and targets new buyers

Andy Palmer joined UK-based premium priced car manufacturer Aston Martin as Chief Executive to implement a new marketing strategy targeting younger buyers and women.

At the Geneva Motor Show he announced that he wants the car maker to rebuild its range of sports cars as well as add two new cars to the product portfolio in order to target this new market.

5

"As an industry, we're pretty poor at ticking the boxes that satisfy women customers, we tend to view cars for women as 'pink it and shrink it' – add a place to hold your handbag – which I think is quite cynical."

"You have to start with a type of beauty and then imagine how you make that more affordable to a younger generation and appealing to female customers" he added.

10

A more feminine Aston Martin would probably have a higher driver's seat and greater durability, more like a 4 x 4 vehicle. This will put the company in the competitive, fast-growing segment of premium priced cars, alongside Jaguar who focus on dramatic design and performance. Bentley's handcrafted, powerful, luxury cars and Rolls-Royce cars remain the choice for the super-rich.

15

(Source: adapted from www.ft.com/cms/s/0/1acf27c6-bdcf-11e4-9d09-00144feab7de.html#axzz3Zqnp9lQb)

1 (a) What is meant by a marketing strategy?

(2)

(b) What is meant by product portfolio?

(2)

[illegible]

(c) Explain how Aston Martin uses differentiation in the premium car market.

(4)

[illegible]

(d) Explain how Aston Martin could use the design mix to appeal to the new target market.

(4)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

(8)

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

(f) Assess the likely impact of this change on the motivation of the workforce.

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(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS



SECTION B

Read Extract B before answering Question 2.

Write your answers in the spaces provided.

Extract B

Approved Food

Entrepreneur Dan Cluderay, started his business, Approved Food, on a market stall and it has now expanded to be the largest online retailer of food and drinks that are near their use-by date.

In 2013 Approved Food's turnover reached £4 million and its 50 employees were shipping out more than 2 000 orders each week from its 60 000 sq ft warehouse in Sheffield. Dan's business objective is to save shoppers 60–70% on each order. 5

The rise of Approved Food coincides with a growing awareness that our obsession with use-by dates is resulting in more than a million tonnes of food waste a year.

This week, a government advisory body called the Waste & Resources Action Programme (WRAP), reported that supermarkets were being "overly cautious" with their use-by labelling. 10

It estimated that shoppers could save £600 million a year – about £25 per household – if they were given an extra day to eat products such as fruit, vegetables and fresh meat.

Approved Food does not sell chilled or frozen goods, it only sells packaged products such as rice, chocolate, crisps and toiletries. 15

(Source: adapted from www.express.co.uk/life-style/life/561869/Approved-Food-Dan-Cluderay-fortune-selling-food-past-best-before-date)



2 (a) What is meant by entrepreneur?

(2)

(b) What is meant by business objective?

(2)

The Office for National Statistics stated that incomes fell by 2.2% in 2014.

(c) Using the data in Extract B, calculate the income elasticity of demand for Approved Food, following an increase in weekly orders to 3,500 in 2014. You are advised to show your working.

(4)



(d) Explain how a business, such as Approved Food, might use income elasticity of demand data.

(4)

[illegible]

(e) Assess **two** ways social trends might affect the channels of distribution for a business such as Approved Food.

(8)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

(f) Assess the importance of profit maximisation to a business such as Approved Food.

(10)

[illegible]

(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS



SECTION C

Read Extract C before answering Question 3.

Write your answer in the space provided.

Extract C

About Us – The story of Bunches

Bunches, a family business founded in 1989, was originally a small flower stall in Mansfield, Nottinghamshire. The owner discovered that you could put flowers into boxes and despatch them nationwide to customers, using the Royal Mail to deliver. Bunches changed to a 'flowers by post' company in 1990. Orders were taken over the Post Office counter and then telephoned through to the Bunches office. In 1992 Bunches expanded to all Post Offices nationwide. 5

By 2001 Bunches had outgrown its factory and moved into purpose-built premises with modern sales, production and despatch facilities. Recently, they have just completed a £1 million extension, doubling the size of production floor space and adding new offices.

Bunches have now delivered over 5.5 million bouquets throughout the UK and has an extensive online presence. 10

(Source: adapted from <https://www.bunches.co.uk/aboutus>)



As a basis for further expansion, Bunches could increase distribution either through the Post Office or through online sales.

- 3 Evaluate these **two** options and recommend which option would be the most profitable for Bunches.

(20)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

(Total for Question 3 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS
TOTAL FOR PAPER = 80 MARKS

How to Answer A-Level Business Questions?

What are examiners looking for?

Examiners use instructions to help you to decide the length and depth of your answer.

State, define, list, outline

These key words require short, concise answers, often recall of material that you have memorised.

Explain, Describe, Discuss*

Some reasoning or some reference to theory is needed, depending on the context.

Explaining and discussing require you to give a more detailed answer than when you are asked to 'describe' something.

Assess/In Your Opinion/ to What Extent/Evaluate/Justify*

You are required to provide full and detailed arguments, often 'for' and 'against', to show your depth of understanding.

*In these questions it is vital that you **'apply'** your knowledge to the context. In other words, you must make sure that you relate your answer to the given situation and make use of any evidence provided (this is always good practice in Business Studies exams).

Calculate

A numerical answer is required here.

Dos

Rephrase and directly answer the question.

No credit can be given for good Business Studies knowledge that is not relevant to the question.

Do use the mark allocation to guide how much you write.

Writing more than necessary will **not** result in extra marks.

Do use real-life business-based examples in your answers.

These often help illustrate your level of knowledge.

Do write legibly.

An examiner cannot give marks if the answer cannot be read.

Do use correct 'business language'.

Marks will be lost if you fail to use terms appropriately.

Don'ts

Don't fill up blank spaces on the exam paper.

If you write too much on one question, you may run out of time to answer some of the others.

Don't contradict yourself.

Present reasoned arguments for and against your decision and don't change your mind.

Don't spend too much time on a part that you find difficult.

Exam time is limited, and you can always return to the difficult part if you have enough time at the end of the exam

Examples:

Define:

Question 1 (a)

Candidates were not identifying strategy as a way of achieving objectives. Some identified marketing mix which received marks, but many referred only to promotion/advertising.

1 (a) What is meant by a marketing strategy?

(2)
A marketing strategy is a strategy used by a ^{business} ~~market~~ to help them to increase their market share to increase their demand for the product eg. marketing mix - promotion, price, place.



ResultsPlus
Examiner Comments

The candidate shows an understanding of marketing strategy by discussing use of the marketing mix, 1 mark.



ResultsPlus
Examiner Tip

An example is an opportunity to gain 1 mark in definition questions.

Question 1 (c)

Explain:

This question was generally very well answered with a good understanding of differentiation. Many made good use of the extract to apply their answer to Aston Martin and the wider car industry, but few achieved analysis.

(c) Explain how Aston Martin uses differentiation in the premium car market.

(4)
Differentiation is when the businesses will use a unique selling point (USP) to make the product stand out from competitors.
Aston Martin differentiate themselves by having excellent quality - durable and beauty. This helps as it means it will stand out from other competitors so may increase demand so more sales. It also has 4x4 vehicles which not all premium cars have so this may target the more adventurous market and again makes the car unique.



ResultsPlus
Examiner Comments

The candidate provides a good definition of differentiation, 1 mark.

Then suggests how Aston Martin have achieved differentiation 'durable and beauty' as well as '4x4 vehicles', 2 marks.

Analysis is also demonstrated 'may increase demand so more sales', 1 mark.

Assess:

- (f) Assess the importance of profit maximisation to a business such as Approved Food.

(10)

Profit maximisation is a pricing strategy used when you try and reduce costs and increase prices in order to try and make as much profit as you can. So you get the maximum profit available.

This is important to a business such as Approved food because it will enable him to invest his money back into the business in order to expand and grow. As well as this it means that he can charge a premium price and focus on quality and so is able to get good customer loyalty. Consequently by having profit maximisation you are then able to spend money on promotion and advertising which increases brand recognition and therefore helping to increase sales. Which is important for his business to get the message across about saving money on not throwing food away.

On the other hand it isn't very important to a small entrepreneurial business such as Approved food because his objective is to save shoppers 60-70% on each order, therefore he is aiming at the welfare of consumers and is more concerned about selling the food than making a profit so profit maximisation isn't very important. Also because Approved food is a ~~very~~ very common type of business he hasn't got much competition to compete against for the market so by getting just enough profit by using satisfaction pricing he can still get profit while allowing customers to save the 60-70% on orders. This means that he is able to meet his objective. Also if he was to use profit maximisation because it's a new company and business people may not want to pay a high

price and therefore he would benefit more by using satisfaction pricing first.

To conclude in the long term profit maximisation may be important to Approved Food if the market grows and there is more demand for it and therefore more competition. But in the short term it was very important because he needs to generate sales and become more established and focus on the customer needs and (Total for Question 2 = 30 marks)

Requirements before trying to make the most profit because it could cause his business to lose sales as he won't be providing the customers

TOTAL FOR SECTION B = 30 MARKS



ResultsPlus Examiner Comments

This is a very good response that is in context, provides balance and a good conclusion.

The candidate starts by demonstrating an understanding of profit maximisation 'reduce costs and increase prices'.

More than one point is given as to why profit maximisation is important 'expand and grow' as well as 'spending money on promotion and advertising'.

Points are analysed using logical chains of reasoning 'which increases brand recognition and therefore helping to increase sales'.

The candidate also provides balancing arguments by recognising that this is a question about business objectives and that a business such as Approved Foods may have objectives other than profit maximisation such as 'to save shoppers 60-70% on each order'.

A very good conclusion is provided that directly answers the question and weighs up long term and short term needs of the business, this could have been improved by putting it in context. Level 4, 9 marks.

Calculate:

The Office for National Statistics stated that incomes fell by 2.2% in 2014.

- (c) Using the data in Extract B, calculate the income elasticity of demand for Approved Food, following an increase in weekly orders to 3,500 in 2014. You are advised to show your working.

① STATE Formula: $YED = \frac{\% \Delta \text{ Demand}}{\% \Delta \text{ Real Income}}$ (4)

② Calculate: $\% \Delta \text{ Demand} = \frac{\text{Change}}{\text{original}} \times 100$

$$\Rightarrow \frac{3500 - 200}{200} \times 100 = 75\%$$

$$\% \text{ change} = \text{Real Income} = -2.2\%$$

③ $YED = \frac{75}{-2.2} = \textcircled{4} -34.09$ check with



ResultsPlus Examiner Comments

This candidate has shown knowledge of YED, 1 mark.
Correctly calculated the percentage change in demand, 1 mark.
They have inputted the figures into the YED formula, 1 mark,
They have correctly calculated the answer, 1 mark.

On behalf of the Business Education Teaching Team, welcome to the course!

We are looking forward to supporting your learning of Business and wish you every success.

Ian Bird

Assistant Head of the BUSIT Faculty and International Dimensions
Chosen Hill School.