KNOWLEDGE ORGANISER GUIDANCE

It is advised that you print the relevant subject knowledge organisers and have them available to you when needed at all times.

An alternative recommendation would be to download the knowledge organisers for your subjects onto your electronic devices so you can access them when needed.

With the knowledge organiser you should make revision cards to help revise and build in time during independent study to test yourself weekly on the content.

While you have independent study, you should use your Knowledge Planner to study the relevant subject's Knowledge Organiser and learn the information provided.

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SIXTH FORM KNOWLEDGE ORGANISER

Business

2023/2024

Aspiration Creativity Character

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Unit 1: Exploring Business

Learning Aim	Key content Areas	Recommended Assessment Approach
A. Explore the features of different businesses and analyse what makes them successful	**A1:** Features of Business **A2:** Stakeholders and their influence **A3:** Effective business communications	A report that examines the features of two contrasting businesses, looking at how each is organised, how their structures enable achievement of their aims and objectives and the relationship and communication with stakeholders.
B. Investigate how businesses are organised	**B1:** Structure and organisation **B2:** Aims and objectives	
C. Examine the environment in which businesses operate	**C1:** External environment **C2:** Internal environment **C3:** Competitive environment **C4:** Situational analysis	A report that examines the effects of the internal and external environment on a large business and how the business has, and will, respond to changes.
D. Examine business markets	**D1:** Different market structure **D2:** Relationship between demand, supply and price **D3:** Pricing and output decisions	
E. Investigate the role and contribution of innovation and enterprise to business success	**E1:** Role of innovation and enterprise **E2:** Benefits and risks associated with innovation	A presentation that investigates the usae of enterprise and innovation in an existing business

Key Words

Private Business
Public Business
Stakeholders
Aims and Objectives
Organisational Structure
Organisational Culture
PESTLE
Corporate Social Responsibility
SWOT
Monopoly
Oligopoly
Demand
Supply
Innovation
Enterprise

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Learning Aim A1 – Features of a business

Key Vocabulary

Business – an organisation that seeks to satisfy the needs and wants of consumers through the production of goods or services

Goods – physical items

Services – non-physical, non-tangible experiences

Sole trader – a business owned and run by one individual. Has unlimited liability

Partnership – a business owned and run by 2-20 partners. Unlimited liability, unless an LLP.

Private limited company (LTD) – a business that is owned by shareholders. Limited liability.

Public limited company (PLC) – a business owned by shareholders, where shares are floated on the stock market. Limited liability.

Primary sector – businesses that extract raw materials

Secondary sector – converting raw materials into products

Tertiary sector – service businesses

Core Knowledge

Not all businesses aim to make a profit

There are several ways of categorising businesses

- **sector** – public sector is owned by the government; private is owned by individuals
- **ownership** – sole trader (one owner); partnership (2-20), private limited companies (at least one); public limited companies (at least 2), co-operatives
- **liability** -unlimited or limited
- **purpose** – for profit or non-for profit
- **sector** – primary, secondary or tertiary
- **scope** – local, national or international
- **size** – micro (up to 9 staff); small (10-49); medium (50-249); large (more than 250)

Reasons for success

These will be different depending on the type of business and the aims and objectives of the business. Can be measured in many ways, e.g. turnover, profit, employee satisfaction, customer satisfaction.

Don't be a "man on the street"

- A sole trader business has only one person working there – **NO** there is only one owner, but there can be many employ
- ALL businesses aim to make a profit – **NO** – there are many non-profit business organisations such as schools, hospitals and charities
- PLCs are in the public sector – **NO** – theses are private sector, but anyone can buy shares
- All businesses are companies – **NO** – only Ltds and plcs can be referred to as companies

Wider Business World

BBC – public sector business

OXFAM – an example of a non-profit business

Tesco plc – large, international business operating in tertiary sector that is owned by shareholders

Synoptic Links

Unit 3 – Finance – different business types will present accounts in different ways

Aims – different business types will have different aims

Marketing – the size of a business can affect the budget for this

Stakeholders – the ownership may affect the influence of stakeholders

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Learning Aim A2 – stakeholders and their influence

Key Vocabulary

Stakeholder – anyone with an interest in the business

Shareholder – someone who owns part of a company (LTD or PLC)

Employees – people who work for your business

Customer – someone who buys from your business

Manager – someone with a position of responsibility within a business organisation

Supplier – someone or a business that provides stock or materials to a business

Lender / financier – someone who the business has borrowed money from

Debtors – someone who owes the business money

Creditors – someone who the business owes

Local community – the people who live around the business

Pressure group – an organisation that will campaign for something specific, e.g. workers rights, environmental protection

Government – political power that can set laws and regulations that a business must follow

Conflict – when stakeholders groups do not want the same thing from a business

Core Knowledge

Stakeholders are anyone interested in the activities of a business.

Each group is interested for different reasons, e.g. employees want to be paid a reasonable income and have job security.

Stakeholders are affected by business activity, e.g. local community is affected by the noise, pollution and traffic congestion, but may gain job opportunities or community sponsorship.

Each stakeholder group can influence the success of a business, e.g. customers can write reviews of the business. This can impact shareholder value, customer loyalty and retention, employee involvement and CSR

Stakeholder groups may want different things and so there may be conflict between their needs. A business will need to manage this to try to satisfy as many stakeholder groups as possible.

Don't be a "man on the street"

- Don't confuse stakeholders and shareholders
- Stakeholders are not one collective group
- Managers and owners are not the same thing
- Not all business owners are shareholders

Wider Business World

Plane Stupid is a pressure group that campaigns against increasing air travel

Greenpeace is a well-known environmental pressure group

Synoptic Links

Communication – methods and regularity can improve stakeholder relations

Ownership – only companies have shareholders

Aims – can be influenced by stakeholders; will affect different stakeholders in different ways

Environment – stakeholders can affect internal and external

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Learning Aim A3 – effective business communications

Key Vocabulary

Communication – the passing of information from one person or organisation to another

Insufficient communication – too little communication which may leave some staff under-informed and demotivated

Excessive communication – too much communication, causing overload for staff; a particular problem with email

Barrier to communication – something that prevents the flow of communication

Jargon – technical or obscure words used by a particular group of people that may not be understood by everyone

Core Knowledge

Communication methods:

- **Verbal / Oral** – meetings, telephone, digital methods such as Zoom, presentations
- **Written** – letters, reports, posters, financial documents
- **Digital** – email, instant messenger, texting, social media

Communication problems:

- Too little communication – can lead to employees being unaware of what is happening, leading to mistakes and inefficiency
- Too much communication so employees are overloaded
- Other information or activities act as barriers to communication

Barriers to communication

- **Written** – illegible handwriting, poor spelling and grammar, poor font or presentation
- **Verbal** – language not understood, accent not understood, speaking too fast or slow, not pausing when speaking
- **Receiver** – poor attitude, not listening
- **General** – timeliness, structure of communication not clear, cultural differences, use of jargon, technical issues, no opportunity for feedback

Importance to business success

- Social media
- Virtual communities

Don't be a "man on the street"

- Remember that not all people have the internet or social media, so don't assume this is always the best way to communicate
- Remember that email is not free communication – it is cheaper than traditional methods, BUT, still costs in terms of connections and time to compose / send and monitor

Wider Business World

Microsoft – research by Financial Times identified Microsoft as having excellent communication

COVID – has changed the way a lot of businesses communicate with employees, customers and other stakeholders

Synoptic Links

Stakeholders – different groups will need to be communicated with in different ways

Size & scope of business – may affect methods used

Structure & organisation – taller hierarchies may have more formal methods of communication

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Learning Aim B1 – effective business communications

Key Vocabulary

Organisation chart – a diagram that shows the internal structure of an organisation

Flat structure – an organisation with few layers of hierarchy

Hierarchical structure – an organisation with many layers of management, therefore creating a tall organisational pyramid

Matrix – a structure where employees work across teams and projects as well as within their own department

Holacratic – an organisation where power is distributed among self-organising groups

Centralised structure – an organisation where most decisions are made at head office not within the branch

Decentralised structure – an organisation that allows staff to make decisions at a local level

Span of control – the number of people a manager is directly responsible for in an organisation

Subordinate – the term for people underneath another in an organisation chart

Core Knowledge

An example of an organisation chart.
Each box represents an employee or set of employees.
The vertical lines represent lines of communication.

Functional Areas:

- **Human resources** - concerned with the employees
- **R&D** – research and development of new products
- **Sales –** use of representatives; work with stockists / retailers
- **Marketing –** whole process that involves convincing customers to buy your products
- **Purchasing –** inventory control
- **Production and quality** – also called operations
- **Finance** – concerned with the monetary aspects of the business
- **Customer service** – ensuring customers satisfaction, during and after sales
- **IT and administration** – the day to day support for employees

Don't be a "man on the street"

- When counting a span of control, only include those directly underneath, not all staff
- Consider the level of skills of the workers – more skilled ger need less supervision so flatter structures can work well
- A whole business may have more than one structure

Wider Business World

Sainsbury – an example of a centralised business where local branch managers have little power over decision making

NHS, police force – examples of tall hierarchical structures

Synoptic Links

Recruitment (Unit 8) – an organisation structure shows the roles within a business

Finance (Unit 3) – more managers increases costs for the business

Communication – the type of structure can affect the communication methods used, and introduce barriers

Internal environment – structure can affect corporate culture

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Learning Aim B2 – Aims and Objectives

Key Vocabulary

Aims – a long term goal a business wants to achieve

Objectives – more specific measurable steps

Financial aims – goals related to money, e.g. survival, profit levels

Non-financial aims – goals related to non-monetary aspects, e.g. ethical or environmental issues

Profit – when revenue is greater than costs

Profit maximisation – achieving the highest level of profit possible

Break-even – earning enough revenue to cover total costs and no more

Survival – having enough sales to cover costs and still be trading

Growth – increasing the size and/or scope of a business, e.g. by opening more outlets, producing more products, or operating in more countries

Market Share – the percentage of total sales that one business has

Market leadership – becoming the biggest business in a market

Core Knowledge

Aims link to the overall mission statement of a business. This can also be known as it's vision or values.

Aims are long term goals. Objectives are more specific measurable, time constrained steps. The best objectives are **SMART**.

SMART – **S**pecific, **M**easurable, **A**chievable, **R**ealistic, **T**ime-framed

Examples of Aims:

- **Private businesses** – profits, profit maximisation, break-even, survival, growth, market leadership
- **Public sector** – service provision, cost control, value for money, service quality, meeting government standards
- **Not-for-profit** – education, housing, alleviating poverty, healthcare

The aims of a business will depend on many factors and will change over time.

Don't be a "man on the street"

- All businesses aim to make a profit – not true! Social objectives can be important and so can personal objectives
- Businesses will change their objectives over time – don't assume that they always are aiming for the same thing

Wider Business World

Tesco – used to aim to have more than 50% of its revenue from non-food. Changed after Aldi and Lidl gained 10% market share between them

M&S – aims are about environment and sustainability not profit

Dyson – James Dyson had a personal objective: to be successful rather than profitable

Synoptic Links

Ownership – only companies will have shareholders; smaller businesses are more likely to have personal objectives

Market structures – the number of firms in a market can affect the aims of a business

External environment – changes in this can mean aims have to change

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Learning Aim C1 – External environment

Key Vocabulary

EU – European Union. A free trade area that the UK used to be a member of

Fiscal policies – government action that affects government spending and taxation

Unemployment – number of people who do not have work and are actively seeking work

Inflation – increase in prices over time. Measured by the CPI.

Interest rate – the percentage charge on borrowing / reward for saving

Exchange rate – the value of one currency compared to another

Debt – when a person or business owes money

Demographics - statistical data relating to the population, e.g. resident or marital status

Legislation - laws

Core Knowledge

Anything outside of the control of the business. Classified using the PESTLE framework

- **Political**, e.g. government support, membership of trading communities such as EU
- **Economic** – fiscal, monetary and supply side government policies; impact of unemployment, inflation, interest rates, exchange rates, taxation
- **Social attitudes** – such as to spending/saving and debt, social responsibility requirements, social change, e.g. demographic trends, consumer tastes and preferences
- **Technological change** – automation, communications, methods of payment, advertising
- **Environmental factors and ethical trends,** e.g. carbon emissions, waste, recycling, pollution
- **Legal issues**, e.g. Partnership Act, Companies Act, Charities Act, Competition Act, Sale of Goods Act, Equality Act

A pandemic or natural disaster is not an external influence, but an **economic shock**. However, it can have impacts.

Don't be a "man on the street"

- Don't assume all debt is bad – most people need to be in debt. It is only an issue if you can not afford the regular repayments
- Not all businesses need to sell online to be successful – consider Primark
- Remember it is the Banks that set interest rates not the government
- Taxes are decided by the government
- Not ALL business are affected by changes in the same way – a fall in income for example can help Poundland but not a luxury brand

Wider Business World

Supermarkets & restaurants – having to adapt to social trends, e.g. increase in vegans

Retailers – had to adjust policies on bags after it became compulsory to charge for plastic bags

Restaurants in August 2020 – saw an increase in sales after government Eat Out to Help Out policy

Synoptic Links

Communication – changed due to technological changes

Marketing – technological change has affected the ways business can advertise and sell their products

Finance – interest rate changes affect personal ability to borrow and disposable income

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Learning Aim C2 – Internal environment

Key Vocabulary

Corporate culture – the beliefs and behaviours that determine how a business's employees and management interact and handle outside business transactions

CSR – Corporate Social Responsibility. A self-regulatory business model that helps a business accountable to its stakeholders, itself and the public

Ethics – what is considered to be morally correct

Handy's model – Charles Handy developed a model of culture that identified four types: power, role, task and person

Carroll's CSR pyramid – shows four levels of CSR. He argued that businesses will operate at different levels and this could affect their success

Core Knowledge

Handy's model identified 4 corporate cultures. The one a business demonstrates will affect employees, and therefore the success of a business.

Cultures & Structures …

Power Tends to be fast-paced or changeable work but often quite simple or limited to the interests of abilities of major power broker(s)	**Task** Tends to be high-paced work of a unique or complex nature
Role Tends to be steady, relatively unchanging or patterned work of a ature	**Person** Tends to be steady work of a unique nature at the micro level

High

RATE OF CHANGE

ESS/COMPLEXITY OF WORK PROCESS

Caroll's pyramid

These areas are identified in a SWOT as Internal Strengths and Weaknesses, along with PESTLE factors in the External Opportunities and Threats.

Don't be a "man on the street"

- Corporate culture can take time to embed into a business
- Businesses don't always seek to be the most profitable – ethics can be an aim too

Wider Business World

Primark – managers visit every supplier. An example of ethical responsibilities

Lloyd's Banking Plc, HSBC Holdings – banks that donate huge amounts to charity each year. Example of philanthropic behaviour

Synoptic Links

External influences – both internal and external need to be analysed for the SWOT analysis

Competition – culture can contribute to a competitive advantage

Organisation structure – the structure chosen can affect the culture of an organisation

Aims – ethical issues may form a business aim

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Learning Aim C3 – Competitive environment

Key Vocabulary

Competition – where there is more than one business attempting to attract the same customers

Direct competition – where two businesses are selling the same product to the same customers

Indirect competition – competing for the same customers but by offering different products, e.g. a bowling alley and a cinema

Differentiation – strategies and techniques that a business uses to make their product stand out

Competitive advantage – where one business has 'the edge' over the others in a market

Porter's 5 forces – a business model that allows analysis of the competitive environment

Customers – those who purchase from a business

Suppliers – the businesses or individuals that prove stock or raw materials for a business

Substitute products – alternative products that a customer can buy

Core Knowledge

Businesses face competition on a local, national and international level.

Businesses face direct and indirect competition.

Factors that affect competitive advantage are:

- Differentiation
- Pricing policies
- Market leadership
- Reputation
- Market share
- Cost control
- Technology relationships with stakeholders

Porter's 5 forces model analyses the following to assess the degree of competitiveness within a market

- Bargaining power of customers
- Bargaining power of suppliers
- Threat of new entrants
- Threat of substitute products
- Rivalry within an industry

Don't be a "man on the street"

- Don't assume that a new business can simply compete by of lower prices – larger firms can negotiate better prices from suppliers
- Remember than improving quality will increase costs

Wider Business World

Amazon – has created competition for a lot of businesses

Tesco – known for the very low level of bargaining power that suppliers have

Airline industry – surprisingly this has very low barriers to entry so the threat of new entrants is high

Synoptic Links

Aims – these will need to change depending on the degree of competition within a market

Stakeholders – customers and suppliers are stakeholders

Market structures – the degree of rivalry within an industry will be affected by the market structure

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Learning Aim D1 – Different market structures

Key Vocabulary

Perfect competition – where there are many forms in one market offering the same or very similar product

Oligopoly – a market where there are a few large firms that dominate the market

Duopoly – a market with two firms dominating the market

Monopoly – where there is only one firm, or one that dominates the market (25%+ market share)

Takeover – when one firm buys another

Merger – when two firms join together by mutual agreement

Barriers to entry – the ease in which a new business can enter a market

Barriers to exit – the ease in which a business can leave a market

Sunk costs – unrecoverable costs

Privatisation – the conversion of a public sector business to a private sector business through selling shares

Market share – the percentage of total sales in a market that one business has

Market leader – a business that is one of the firms that dominate a market

Core Knowledge

Perfectly competitive markets are a theory – they do not exist in reality, although there are some markets that are close.

Perfectly competitive markets – large number of suppliers and customers, perfect information for producers and suppliers, identical products, no barriers to entry or exit, firms aim for profit maximisation

Monopolies – have a single firm, very high barriers to entry, firms will aim for profit maximisation and achieve 'supernormal' profits, inefficient productive and allocative efficiency, benefit from economies of scale, should be able to provide stable employment

Oligopoly – dominated by a few firms, high barriers to entry, products are highly differentiated, the actions of one firm will have some effect on the others

Privatisation policy lead to a reduction in the number of monopolies in the UK and increased competition, as well as share ownership.

Don't be a "man on the street"

- Perfect competition is a theory not a reality
- Monopolies can exist if one firm is dominant with 25% market share, even if there are loads of other firms in the market

Wider Business World

London Underground – a UK monopoly

Supermarkets – an example of UK oligopoly

Coke & Pepsi – an example of a duopoly

Hairdressing – a highly competitive market

BT – example of a firm that was a monopoly but is no longer due to privatisation

Synoptic Links

Aims – the amount of firms in a market will impact on the business aims

Competitive environment – the amount of firms, ease of entry and competitive rivalry will be different depending on the market structure

Demand, supply and price – firms will be able to charge different prices depending on the number of firms within a market

Innovation – oligopoly firms tend to be more innovative

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Learning Aim D2 – Relationship between demand, supply and price

Key Vocabulary

Output – number of products produced by a business

Price – selling price charged to customers

Demand – the number of goods that consumers are willing and able to buy at a particular price

Supply – the number of goods that firms are willing and able to produce at a particular price

PED – Price Elasticity of Demand. The responsive to a change in price by consumers. If the % change in demand is MORE than the % change in price, the product is elastic; if not it is inelastic

YED – Income Elasticity of Demand. The % change in price caused by a % change in consumer income

XED – Cross Elasticity of Demand. The % change in demand caused by the % change in price of an alternative product

Substitute – an alternative product

Complementary – a product that is often bought alongside another

Normal good – a good where consumers will buy more as income rises

Luxury good – a good that sees a significant increase in demand when income rises

Inferior good – a good that sees a reduction in demand as income rises

Core Knowledge

Demand theory states that as price rises, less will be demanded.

Supply theory states that as price rises, more will be supplied.

Equilibrium price is where the level of demand matches the level of supply at a given price.

A change at all price levels is called a ***shift*** in demand, or supply. External factors will lead to these.

Influences on demand – affordability, level of competition in a market, availability of substitutes, level of GDP, needs and aspirations of customers

Influences on supply – availability of raw materials and labour, logistics, ability to produce profitability, competition for raw materials, government support

Price Elasticity – the degree to which a change in price leads to a change in the quantity demanded. Some products are more elastic than others, e.g. those with lots of substitutes, non-branded goods, non-essential goods

Don't be a "man on the street"

- Don't assume that an increase in price will always lead to a fall in demand – there are many factors
- Don't just think of direct swaps for substitute products – consider non-direct competition as well

Wider Business World

Petrol – an inelastic good

UK caravan & camping holidays – for most people an inferior good

Designer brands – luxury goods

Vegan / plant-based products – substitutes for meat; a group market

Synoptic Links

Market structures – the number of firms in the market will impact on the price that can be set by one firm

External environment – changes in aspects of the external environment can affect demand or supply

Competitive environment – firms with high competitive advantages are more likely to have inelastic PEDs

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Learning Aim D3 – Pricing and output decisions

Key Vocabulary

Marginal costs – the costs of making one addition unit

Marginal revenue – the revenue achieved from selling one additional unit

Profit maximisation – aiming for the highest levels of profit possible

Price maker – a firm that can set the market price

Price taker – where the market sets the price for firms due to consumer's preferences and the laws of demand and supply

Allocative efficiency – when a goods price is equal to what consumers want to pay for it

Productive efficiency – ensuring that the costs of production are as low as possible

Core Knowledge

Monopoly Market

- Wants to maximise profits, so will produce an output where Marginal costs are the same as marginal revenue
- A monopoly firm is a price maker
- Productively and allocatively inefficient, so costs are higher and so will prices charged to consumers
- Production levels can be lower than consumers want

Perfect competition

- All firms are price takers
- No barriers to entry and exit, means that output levels will change to enter or leave a market
- Price mechanism means that firms will produce exactly the amount that consumers demand, hence it is considered to be allocatively efficient
- Productive efficiency leads to lower prices for consumers

Oligopoly market

- Firms compete on price, but due to the kinked demand curve, prices are likely to be stable in a market
- If one firm reduces prices, the others will follow, so consumers receive lower prices, but all firms make less profit
- If one firm increases prices, consumers will move to a substitute firm, so the firm will see less demand and therefore not see an increase in profit

Don't be a "man on the street"

- When discussing market structures, as this is economic theory, profit has a slightly different meaning / definition
- Remember the structures are 'model's – in reality there are many factors that will affect output and pricing decisions

Wider Business World

Supermarkets – compete heavily on price

Beauty industry – highly competitive market, so tend to compete in non-price terms

Synoptic Links

Market structures – the number of firms in a market and their degree of power can impact the output and pricing decisions

Demand, supply and price theory – elasticity helps explain the kinked demand curve

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Learning Aim E – innovation and enterprise

Key Vocabulary

Invention – developing something brand new

Innovation – adapting an existing product

Enterprise – taking risks

Added value – when the price of a product is more than the costs of production, e.g. because of branding

Core Knowledge

Innovation can come about through:

- Creative process
- Product or service development
- New ways of increasing business efficiency or improving profitability
- Successfully exploiting a new idea
- Adding value to products, service or markets to differentiate the business from competitors

Enterprise is identifying opportunities to develop business activities

- though creative, lateral or blue-sky thinking
- chance and serendipity
- intuition

Don't be a "man on the street"

- Don't confuse inventions and innovations
- Don't confuse entrepreneurs with entrepreneurial businesses
- Not all innovation and inventions lead to success

Wider Business World

Google – a highly innovative and intrapreneurial business

Dyson – adapted the vacuum cleaner – an example of innovation

Synoptic Links

Marketing – innovations are an example of an extension strategy in the product life cycle

Market structures – firms in competitive markets are more likely to be innovative as they need to compete by methods other than price

Internal environment – a culture of innovation needs to exist

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Unit 2

Key Term	Definition
Primary Research	Research compiled directly from the original source, which may not have been compiled before. Learners are expected to understand the advantages and disadvantages of different primary research methods.
Qualitive Research	Descriptive data, such as data drawn from open-ended questions in questionnaires, interviews or focus groups.
Quantitative Research	Data in numerical form which can be categorised and used to construct graphs or tables of raw data.
Secondary Research	Published research reports and data, likely to be based in analysis of primary research.

Principles of Marketing

- Anticipate demand
- Stimulate demand
- Recognise demand
- Satisfy demand

Marketing aims and objectives

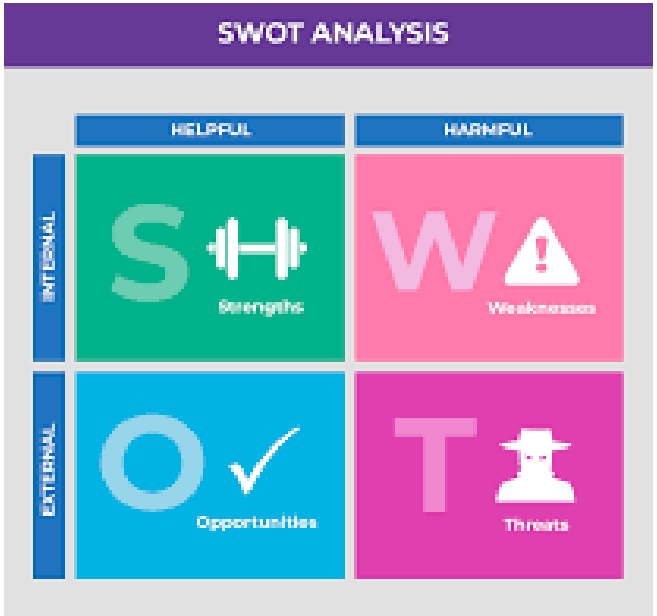
- Understand customer needs and wants
- Develop new products
- Improve profitability
- Diversification
- Increase market share
- Increase brand awareness and loyalty

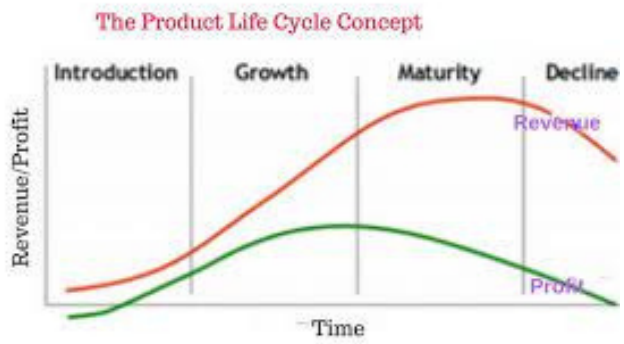
Marketing Mix: The 7 P's

BTEC Business

Unit 2

Market Segments	• Age • Income • Buying habits • Gender • Ethnic, cultural and religious back grounds • Socio-economic groups
External influences on market	• **P**olitical • **E**conomic • **S**ocial • **T**echnological • **L**egal • **E**thical and Environmental
Target Market	• Age • Education • Occupation • Consumer behaviour • Ethnic, cultural and religious background • Income • Gender
Pricing strategies	• Penetration Pricing • Price skimming • Competitor-based pricing • Cost-plus pricing





BTEC Business

Unit 3

Command Word	Definition: what it is asking you to do
Give	You can provide: • examples • justifications
Outline	Your work, performance or practice provides a summary or overview or a brief description
Identify	Indicate the main features or purpose of something by recognising it and/or being able to discern and understand facts or qualities
Illustrate	Include examples, images or diagrams to show what is meant within a specific context
Calculate	Work out an answer, usually adding, multiplying, subtracting or dividing. Can involve the use of formulas
Explain	Your work shows clear details and gives reasons and/or evidence to support the opinion, view or argument. It could show how conclusions are drawn (arrived at). You are able to show that you understand the origins, functions and objectives of a subject and its suitability for purpose.
Discuss	Consider different aspects of: a theme or topic; how they interrelate; the extent to which they are important A conclusion is not required
Analyse	Present the outcome of methodical and detailed examination by breaking down: a theme, topic or situation in order to interpret and study the relationship between the parts and/or information or data to interpret and study key trends and interrelationships.
Assess	Present a careful consideration of varied factors or events that apply to a specific situation or identify those which are most important or relevant and arrive at a conclusion.
Evaluate	Your work draws on varied information, themes or concepts to consider aspects such as: strengths or weaknesses; advantages or disadvantages; alternative actions; relevance or significance. Your inquiries should lead to a supported judgement showing relationship to its context. This will often be in a conclusion.

Functions of money:

- Units of account
- Means of exchange
- Store of value
- Legal tender

Ways to pay:

- Cash
- Debit card
- Credit card
- Cheque
- Electronic transfer
- Direct debit
- Standing order
- Prepaid cards
- Charge cards
- Store cards
- Mobile banking
- BACS and Faster payments
- CHAPS

SIXTH FORM KNOWLEDGE ORGANISER

Haggerston School

Aspiration Creativity Character

BTEC Business

Unit 3

Break Even Analysis	
Formula	Equation
Total revenue	Selling price x quantity sold
Total costs	Fixed costs + total variable costs
Profit	Total revencue – total costs
Total contribution	Sales revenue – total variable costs
Contribution per unit	Selling price – variable costs
Profit using contribution	Contribution per unit x margin of safety
Break even output	Total fixed costs / unti contribution
Margin of safety	Actual sales – break even level of output

Statement of Comprehensive Income	
FORMULA	EQUATION
Revenue	Unit price x quantity sold
Gross profit	Sales revenue – cost of goods sold
Cost of goods sold	Opening inventory + purchases – closing inventory
Profit / loss for the year	Gross profit – expenses + other income
Net book value	Cost – depreciation

Break Even Analysis	
FORMULA	EQUATION
Net cash flow	Total cash inflow – total cash outflow
Closing balance	Opening balance + net cash flow

Measuring Liquidity	
FORMULA	EQUATION
Current ratio	Current assets / current liabilities
Liquid capital ratio	Current assets – inventory / current liabilities
Trade payable days	Trade payables / credit purchase x 365
Trade receivable days	Trade receivables / credit sales x 365

Measuring Profitability	
FORMULA	EQUATION
Gross profit margin	Gross profit / revenue x 100
Mark up	Gross profit / cost of sales x 100
Profit Margin	Profit / revenue x 100
Return on capital	Profit / capital employed x 100

Measuring Efficiency	
FORMULA	EQUATION
Inventory turnover	Average inventory: Turnover / cost of sales x 365

Statement of Financial Position	
FORMULA	EQUATION
Net current assets	Current assets – current liabilities
Net assets	Non current assets + net current assets – long term liabilities
Capital employed	Opening capital + profit for the year
Balance sheets	Net assets = capital employed

Unit 8

BTEC Business

Learning aim A: Examine how effective recruitment and selection contribute to business success

A1: Recruitment of staff

Workforce planning
This will be aimed towards a large setting, large settings are 250+ staff businesses, for example:

- Retail
- a production company
- financial business

Reasons for recruiting new staff:

- growth of the business: locally, nationally, globally
- changing job roles
- systems change
- filling new vacancies created by more space or product development
- vacancies caused by leavers/turnover of staff
- internal promotions
- new office or branch and need for additional staff
- seasonal fluctuations leading to the requirement for temporary staff.

Use of jobcentres
Jobcentre Plus is a government-funded employment agency overseen by the Department of Work and Pensions. Its purpose is to help people find work through services such as job hunting programmes and external job vacancies, while it also provides financial support to eligible job hunters.

Recruitment agencies
Recruitment agencies, also known as employment companies help match the job vacancies to suitable candidates. These firms work directly with other companies to offer the best fit to their vacant positions.

Internal advertisements versus external advertisements
Internal recruitment is when the business looks to fill the vacancy from within its existing workforce. External recruitment is when the business looks to fill the vacancy from any suitable applicant outside the business.

Online recruitment
E-recruitment, or online recruitment, refers to using the web, software and other technology to attract, find, evaluate and hire people. Online recruiting methods include sourcing candidates on professional social media for example.

Traditional methods.
These more well-known and used methods include:

- Company websites
- Newspapers
- Social media
- Recruitment websites
- Print advertising
- Internal recruitment
- Word of mouth

A2: Recruitment process

Recruitment process – the purpose of the documents for internal and external recruitment:

Job advertisement
To begin an advertisement is developed by the HR department of the business. This is followed by placing the advertisement as required, this could be internal/external.

Job analysis
Job analysis is a process of reviewing the qualifications and requirements of a particular position in a company prior to engaging in recruitment and selection.

Job description
The HR department will discuss the content of the tasks and responsibilities of the job to form a description for possible candidates.

Person specification and skills the position requires
The person specification is a description of the qualifications, skills, experience, knowledge and other attributes (selection criteria) which a candidate must possess to perform the job duties.
Its important to consider are they essential or desirable?

CV
This produced by the candidate and used when applying for roles.

Application form
Alternatively in some businesses an Application form is used instead of, or aswell as, a CV.

Letter of application
To go alongside the application documents a covering letter is created to express interest in the role and give more information than the CV/Application includes.

Online recruitment
During online recruitment processes the application process can be more cost-effective when using technology. This is because it allows the business to perform more tasks remotely saving both time and money.

Technojobs.co.uk says:
Up to 70% less expensive then a recruitment agency, managed online recruitment is a highly cost effective option reducing the cost per hire, it is almost resource free leaving your staff time to concentrate on their core daily tasks and results in receiving a number of highly relevant candidate CV's from which to interview and hire from. Additionally in many cases the companies are able to hire from the remaining CV's at their discretion.

Unit 8

BTEC Business

Learning aim A: Examine how effective recruitment and selection contribute to business success

A2: Selection process

Selection Process – the process of selecting the right applicant for the role following the recruitment process:

Selection
When looking to select the right employee businesses can take different steps to do so, this could include:

- assessment centres
- psychometric testing
- group/team activity interviews (by telephone, face-to-face, group and panel)
- presentations in interviews
- short tests at interviews

Interview protocol
Your protocol can be viewed as a guide for the interview: what to say at the beginning of the interview to introduce yourself and the topic of the interview, how to collect participant consent, interview questions, and what to say when you end the interview. It can also involve the type of selection and how it contributes to the process.

Initial selection processes
When selecting the right candidate businesses will chose the methods that suit their time, budget and the type of role they are recruiting for, this may be done with:

- telephone screening interviews
- short, online tests

Appreciation must be given that different processes are appropriate for different roles in a business, and the business selects the process that is best for them.

Technology
With improved technology the use of technology in the process has become more prevalent and used more widely when recruiting. Many applications are presented as online applications, allowing candidates to type and send their responses as quickly as desired. More recently uploaded CVs have taken over the paper versions, making for a more streamlined and organised process.

Other things to consider during the selection process:

- communication with prospective employees: are the channels easy to access, can the process be monitored?
- quality of the process and the documents
- linking the process to efficiency and business success.

A3: Ethical and Legal Considerations in the recruitment process

Ethical consideration is a collection of principles and values that should be followed while doing human affairs. The ethical considerations make sure that no-one acts in such a way that is harmful to society or an individual. It refrains people and organizations from indulging in vicious conduct.

The special word "consideration" in contract law refers to something that has value in the eyes of the law. Consideration must be provided for a contract to be legally binding.

Ethics
Although not legally binding its important that the business has considered its ethics in the recruitment process to display the brand in a positive light to prospective employees. Ethical considerations, include:

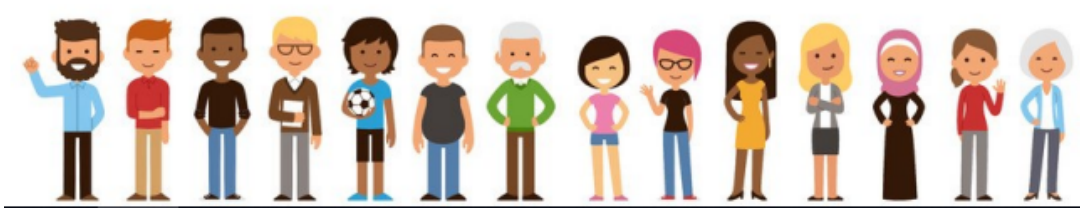
- being honest in an advertisement
- the maintenance of confidentiality
- ensuring the same questions are asked to all candidates interviewed
- same criteria used for all applicants
- disclosure if family or friends work for the same business.

Legislation

- Current equal opportunities legislation with regard to gender, age, race, disability, minimum wage all impact on the recruitment process—Equality law
- Issues can arise if all current law is not adhered to in this area
- Current right-to-work legislation

Things to consider:

- Why do recruitment processes have to be ethical and adhere to equal opportunities legislation?
- What are the ethical responsibilities and the current legislation relating to equal opportunities?



Unit 8

BTEC Business

Learning aim B: Undertake a recruitment activity to demonstrate the processes leading to a successful job offer

B1 Job applications

The candidate will progress with their selection of a job role for the business, as advertised and prepare the necessary documents for the business.

Business Preparations	Candidate Preparations
Job advertisement A job advertisement is an informative text that describes job vacancies and details for potential applicants. The goal of a job advertisement is to convince qualified candidates to apply for a position so the hiring party can find the best possible person for the job.	**Application form** An application form is an official document that a potential employer will require candidates to complete when applying for a vacancy. The application form allows the employer to pose a series of specific questions that every candidate must answer.
Job analysis Job analysis is the process of studying a job to determine which activities and responsibilities it includes, its relative importance to other jobs, the qualifications necessary for performance of the job and the conditions under which the work is performed.	**Personal CV** A CV (also known as a Curriculum Vitae, or résumé), is a written overview of a candidates skills, education, and work experience.
job description A job description summarises the essential responsibilities, activities, qualifications and skills for a role. Also known as a JD, this document describes the type of work performed. A job description should include important company details — company mission, culture and any benefits it provides to employees.	**Letter of application.** The letter of application, also known as a cover letter, explains to the employer why you are qualified for the position in which you are applying and why you should be selected for an interview. A letter of application should complement, not duplicate, your CV
Person specification The person specification is a description of the qualifications, skills, experience, knowledge and other attributes (selection criteria) which a candidate must possess to perform the job duties. These can be both essential and desirable to allow for a broader range of applicants.	

B2 Interviews and skills

There are a range of communication skills required for interview situations, these can determine the success of the interview if done correctly. This includes:

- Body language and listening skills
- Professional approaches
- Formal language
- Skills and attitudes of both interviewer and interviewee,
- Dress
- Interview questions

Designing interview questions

Interview questions are designed by the business and allow them to find out things they need to know that may not be outlined in a CV or application form. Some questions are generic questions that relate to the job to assess capability in different situations, others can be unique and allow the business to gage the individuals personality and if they are right for the role.

Examples may include:

- Tell Me About Yourself. ...
- How Did You Hear About This Position? ...
- Why Do You Want to Work at This Company? ...
- Why Do You Want This Job? ...
- Why Should We Hire You? ...
- What Can You Bring to the Company? ...
- What Are Your Greatest Strengths? …
- What Do You Consider to Be Your Weaknesses?

Unique questions could be:

- If you could choose one superhuman ability, what would it be?
- What TV or movie character would you most like to have lunch with?

Interview feedback form/ Observation form

Interview feedback forms are used to standardise the way in which a hiring team evaluates a candidate. Interview feedback helps keep interviewers objective, and provides them with guidelines on what are important aspects of said role that need to be evaluated.

Unit 8

BTEC Business

Learning aim C: Reflect on the recruitment and selection process and your individual performance

C1 Review and evaluation

Role-play activity
This should include:
- Individual appraisal of own roles in being interviewed
- interviewing and observing

Followed by:
- Review of communication skills.
- Review of organisational ability
- Assessment of how the skills acquired support the development of employability skills.

Review:
Review is defined as to look over, examine or study someone or something again.

Evaluation:
The making of a judgement about the amount, number, or value of something; assessment.

C2 SWOT analysis

SWOT (Strengths, Weaknesses, Opportunities, Threats)

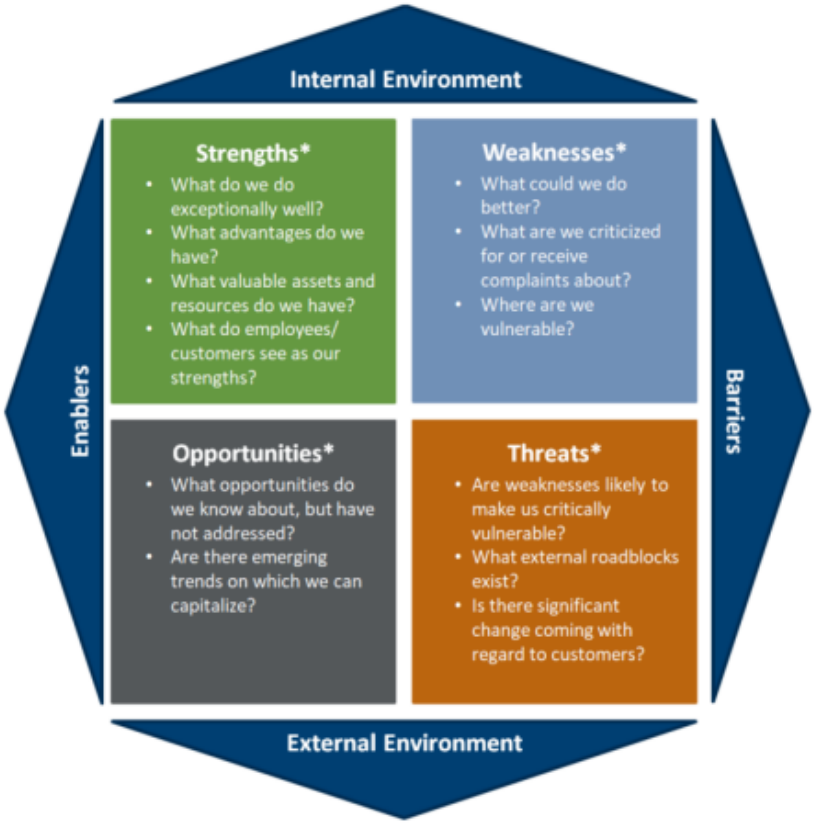
An analysis needs to be undertaken on individual performance in the role-play activities, allowing clear reflection to take place. Consider the following:

Strengths
What went well?
What contributed to its success?
Was it planned?

Weaknesses
What areas didn't go so well?
What are weak areas of feedback?
How would you do it differently?
How would the changes impact on the performance?

Opportunities
How could you adapt and change your performance?
Is there something that could be added?
Is there a new process that could be undertaken?

Threats
What could have affected your outcomes?
What could affect future outcomes?
Were you lucky and avoided threats? What threats could have happened?



C2 Action Plan

Action Plans are simple lists of all of the tasks that you need to finish to meet an objective. They differ from To-Do Lists in that they focus on the achievement of a single goal. Action Plans are useful, because they give you a framework for thinking about how you'll complete a project efficiently. This could include:
- Self-critique of the events and documentation prepared, and how it supported the activity.
- Review if the process was effective and how a learner feels they may need to develop skills further to be able to conduct and participate in interviews more effectively.
- Action plan to highlight how to address any weaknesses in skill set.

Literacy Knowledge Organiser

SPaG

Grammar: Write in Sentences

A sentence is a group of words that make sense. Sentences start with a capital letter and end with a full stop, question mark or exclamation mark. All sentences contain clauses. You should try to use a range of sentences when writing. There are three main types of sentences.

Simple sentence: A sentence containing one main clause with a **subject** and a **verb**.

He reads.

Literacy is important.

Compound sentence: Two simple sentences joined with a conjunction. Both of these simple sentences would make sense on their own. Varying conjunctions makes your writing more interesting.

He read his book because **it was written** by his favourite author.

Literacy is important so **students had** an assembly about reading.

Complex sentence: A longer sentence containing a main clause and one or more subordinate clause(s) used to add more detail. The main clause makes sense on its own. However, a subordinate clause would not make sense on its own, it needs the main clause to make sense. The subordinate clause is separated by a comma (s) and/or conjunction. The clause can go at the beginning, middle or end of the sentence.

He read his book even though it was late.

Even though it was late, he read his book.

He read his book, even though it was late, because it was written by his favourite author.

How can you develop your sentences?

1. Start sentences in different ways. For example, you can start sentences with adjectives, adverbs or verbs.

Adjective: Funny books are my favourite!

Adverb: Regularly reading helps me develop a reading habit.

Verb: Looking at the front cover is a good way to choose a reading book.

2. Use a range of **punctuation**.

3. **Nominalisation**

Nominalisation is the noun form of verbs; verbs become concepts rather than actions. Nominalisation is often used in academic writing. For example:

It is important to read because it helps you in lots of ways.

Becomes: Reading is beneficial in many ways.

Germany invaded Poland in 1939. This was the immediate cause of the Second World War breaking out. Becomes: Germany's invasion of Poland in 1939 was the immediate cause of the outbreak of the Second World War.

Connectives and Conjunctions	
Cause And Effect	Because So Consequently Therefore Thus
Addition	And Also In addition Further (more)
Comparing	Whereas However Similarly Yet As with/ equally/Likewise
Sequencing	Firstly Initially Then Subsequently Finally After
Emphasis	Importantly Significantly In particular Indeed
Subordinate	Who, despite, until, if, while, as, although, even though, that, which

SPaG: Spelling and Punctuation

Punctuation

Use a range of punctuation accurately when you are writing.

. Full stop Marks the end of a sentence.

, Comma Separates the items on a list or the clauses in a sentence.

' Apostrophe Shows possession (belonging) or omission (letters tak en away).

" " Quotation marks Indicate a quotation or speech.

' ' Inverted commas Indicate a title.

? Question mark Used at the end of a sentence that asks a question.

! Exclamation mark Used at the end of a sentence to show surprise or shock.

: Colon Used to introduce a list or an explanation/ elaboration/ answer to what preceded. A capital letter is only needed after a colon if you are writing a proper noun (name of person or place) or two or more sentences.

; Semi-colon Joins two closely related clauses that could stand alone as sentences. Also used to separate items on a complicated list. A capital letter is not needed after a semi-colon unless you are writing a proper noun (name of person or place).

Brackets Used to add extra information which is not essential in the sentence.

Spelling

Use the following strategies to help you spell tricky words.

1. Break it into sounds (d-i-a-r-y)

2. Break it into syllables (re-mem-ber)

3. Break it into affixes (dis + satisfy)

4. Use a mnemonic (necessary - one collar, two sleeves)

5. Refer to word in the same family (muscle - muscular)

6. Say it as it sounds - spell speak (Wed-nes day)

7. Words within words (Parliament - I AM parliament)

8. Refer to etymology (bi + cycle = two + wheels)

9. Use analogy (bright, light, night, etc)

10. Use a key word to remember a spelling rule (horrible/drinkable for -ible & -able / advice/advise for -ice & -ise)

11. Apply spelling rules (writing, written)

12. Learn by sight (look-cover-say-write check)