

Topic	What you need to know
Starting a business	<ul style="list-style-type: none"> - Why and how businesses start - Reasons for starting a business - Definition of an entrepreneur
Stakeholders	<ul style="list-style-type: none"> - Definition - Different stakeholder groups - Reasons why different stakeholders are interested in business activity - Why different groups of stakeholders may have conflicting ideas
Sole Traders	<ul style="list-style-type: none"> - Definition – how many owners? What type of liability? - Aims and objectives - Advantages - Disadvantages
Partnerships	<ul style="list-style-type: none"> - Definition – how many owners? What type of liability? - Aims and objectives - Advantages - Disadvantages - What is a Deed of Partnership?
Private limited companies (LTD)	<ul style="list-style-type: none"> - Definition – who are the owners? What type of liability? - Aims and objectives - Advantages - Disadvantages
Public Limited Companies (PLC)	<ul style="list-style-type: none"> - Definition – Who are the owners? What type of liability? - Aims and objectives - Advantages - Disadvantages
Social Enterprises	<ul style="list-style-type: none"> - Definition - Aims and objectives - Advantages - Disadvantages - Examples
Co-operatives	<ul style="list-style-type: none"> - Definition - Aims and objectives - Advantages - Disadvantages
Franchises	<ul style="list-style-type: none"> - Definition - Aims and objectives - Advantages – for franchisee and franchisor - Disadvantages – for franchisee and franchisor
Market research	<ul style="list-style-type: none"> - Definitions of primary and secondary market research - Advantages and disadvantages of primary and secondary market research - Different methods of primary market research - Different methods of secondary market research
Market segmentation	<ul style="list-style-type: none"> - Definition - Different methods of segmenting a market - Benefits of segmenting the market
Product Life Cycle	<ul style="list-style-type: none"> - Be able to draw one - Write an explanation of each of the five stages - Explain extension strategies a business could use to increase sales - Explain what happens to cash flow during the product life cycle

The marketing mix	<ul style="list-style-type: none"> - Definition – explain what it is - How does a business use all 4 Ps together to sell products?
Product	<ul style="list-style-type: none"> - The main features that make up an attractive product - Product range – what does this mean? - Product mix – what does this mean? - Product differentiation – what is it? How can businesses do it? - Packaging – why is it important? - Branding – why is it important?
Price	<ul style="list-style-type: none"> - You need to know about different pricing strategies – what are they? What are the advantages and disadvantages of them? <ul style="list-style-type: none"> o Cost-plus pricing o Price skimming o Penetration pricing o Loss leaders o Competitive pricing o Price discrimination o Psychological pricing - Demand and supply – what do they mean? How do they affect the price of products?
Promotion	<ul style="list-style-type: none"> - What is promotion? - Advertising – different types, advantages and disadvantages of each - Sales promotion – BOGOF, discounts, competitions, trials, loyalty cards, competitions etc. Advantages and disadvantages of each - Direct marketing – what is it? Advantages and disadvantages
Place	<ul style="list-style-type: none"> - Channels of distribution – advantages and disadvantages of each - Methods of distributing products (internet, door-to-door, mail order, vending machines, telesales)
Marketing constraints	<ul style="list-style-type: none"> - Advertising Standards Authority (ASA) - Trading Standards - Consumer legislation - Pressure groups
Producing goods and services	<ul style="list-style-type: none"> - Goods and services <ul style="list-style-type: none"> o Consumer goods o Producer goods o Single use goods o Durable goods - Growing importance of service sector - Private sector - Public sector
Methods of production	<ul style="list-style-type: none"> - Job production – explanation, advantages, disadvantages - Batch production – explanation, advantages, disadvantages - Flow/mass production – explanation, advantages, disadvantages - Lean production (Kaizen, TQM, Quality circles) – examples, advantages, disadvantages - Specialisation and division of labour – explain what they mean
Stock control	<ul style="list-style-type: none"> - Different types of stock - Just in Time (JIT) – advantages and disadvantages
Quality control	<ul style="list-style-type: none"> - Why quality is important - How quality links to profit - Different methods of checking quality

Break Even Analysis	<ul style="list-style-type: none"> - Total Revenue = Total Cost - Different types of costs (fixed, variable) - How to draw a break even graph
Business Growth	<ul style="list-style-type: none"> - Reasons for growth - Economies of scale - Internal growth - External growth – horizontal/vertical integration; mergers and acquisitions - Diversification
Location of Business	<ul style="list-style-type: none"> - Availability of land - Cost of land - The market - Raw materials - Labour - Infrastructure - Government assistance
International trade	<ul style="list-style-type: none"> - Reasons - Problems - Multinationals – advantages/disadvantages
European Union	<ul style="list-style-type: none"> - What is it? - Advantages - Disadvantages
Recruitment	<ul style="list-style-type: none"> - Job description - Person Specification - Job advert - Applying for the job - Shortlisting - References - Interviews - Offering the job
Training	<ul style="list-style-type: none"> - Induction training – definition, advantages, disadvantages - On-the-job training – definition, advantages, disadvantages - Off-the-job training – definition, advantages, disadvantages
Employment	<ul style="list-style-type: none"> - Contract of employment - Dismissal of workers - Employment law
Trade unions	<ul style="list-style-type: none"> - Role of trade unions - Industrial action – different types
Organisation structure	<ul style="list-style-type: none"> - Span of control - Chain of command - Organisation charts
Communication	<ul style="list-style-type: none"> - Internal - External - Different types of communication – advantages and disadvantages of each
Motivation	<ul style="list-style-type: none"> - Financial motivation – methods, advantages, disadvantages - Non-financial motivation – methods, advantages, disadvantages
Paying people	<ul style="list-style-type: none"> - Payslips – gross/net pay - Statutory/voluntary deductions - PAYE and National Insurance

Sources of Finance	<ul style="list-style-type: none"> - Internal sources (Owners' funds, selling assets, reinvested profits) - External sources (Bank loans, overdrafts, share issue, taking on new partners, hire purchase, leasing, grants, trade credit, venture capital) - Explanation, advantages, disadvantages of each
Business plans	<ul style="list-style-type: none"> - Items found in a business plan - Advantages and disadvantages of writing a business plan
Cash flow forecasts	<ul style="list-style-type: none"> - Inflow/outflow - How to calculate: <ul style="list-style-type: none"> o Net cash flow o Opening Balance o Closing balance - Explain how a business could improve its cash flow by: <ul style="list-style-type: none"> o Improving inflows o Reducing outflows
Profit and loss account	<ul style="list-style-type: none"> - Know how to calculate: <ul style="list-style-type: none"> o Gross profit o Net profit - Why the profit and loss account is useful to businesses - Who is interested in looking at the profit and loss account (which stakeholders?) and why are they interested?
Percentage profit	<ul style="list-style-type: none"> - Gross percentage profit – learn the formula! - Net percentage profit – learn the formula!
Balance sheets	<ul style="list-style-type: none"> - Learn the key terms: assets, liabilities, fixed/current, long term liabilities, working capital, net current assets - Know how to calculate Net current assets (learn the formula!) - Know how to calculate Net Assets (learn the formula!)
Judging business performance	<ul style="list-style-type: none"> - Compare to previous years - Compare to targets – did we meet them?! - Compare to other businesses – did we beat them?!
The use of ICT in a business	<ul style="list-style-type: none"> - How do businesses use databases? Spreadsheets? Word processing? Desktop publishing? - How do businesses use ICT to communicate? - How do businesses use ICT in production? (CAD/CAM) - What are the advantages and disadvantages of using ICT?
Environmental factors	<ul style="list-style-type: none"> - Explain how businesses can cause negative effects on a business: noise pollution, air pollution, litter, water pollution, traffic congestion, waste - Explain how businesses could and why businesses should act ethically
Government legislation	<ul style="list-style-type: none"> - Employment law - Environmental law - Health and safety law - Consumer law - Explain the different laws in each category
The economic environment	<ul style="list-style-type: none"> - Taxation (income tax/value added tax/corporation tax) - Interest rates - Exchange rates - Inflation rates - The business cycle - Explain in the effects on the business if any of these things change