A-level Business: Summer Independent Learning

Year 12 into 13

Part One – Compulsory Content

The section below should take between 4 to 6 hours to complete.

Task 1 – Review of Year 12 Topics

3.1. What is business?

3.1.1 Understanding the nature and purpose of business

1. What are the 6 business objectives may a business set itself?

1) ____
2) ____
3) ____
4) ____
5) ____
6) ____

2. What is the relationship between mission and objectives?

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3. Why do businesses set objectives?

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4. What is the formula for total revenue?

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5. Define the term ‘fixed costs’.

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A-level Business: Summer Independent Learning

Year 12 into 13

6. Define the term 'variable costs'.

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7. What is the formula for total costs?

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3.1.2 Understanding different business forms

1. Complete the table below.

	Definition	**Benefits**	**Drawbacks**
Sole traders			
Private limited company			
Public limited company			
Private sector organisation			
Public sector organisation			

Non-profit organisations (e.g. charities			

2. Explain the difference between unlimited and limited liability.

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3. Define the term 'ordinary share capital'.

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5. State the formula for 'market capitalisation.

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6. Define the term 'dividends'.

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7. Explain the role of shareholders in a business.

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8. Explain why a shareholder may invest in a business.

9. Give three factors that may influence the share price of a business.

10. Explain why the objectives of a public limited company may be different to the objectives of a sole reader using example objectives to support your explanation.

3.1.3 Understanding that businesses operate within an external environment

1. Give the 7 external factors that can influence demand and costs.

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Year 12 into 13

3.2 Managers, leadership and decision making

3.2.1 Understanding management, leadership and decision making

1. What are the 5 roles of the manager?

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2. Draw and label the Tannenbaum Schmidt continuum.

3. List the different leadership styles that exist.

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Year 12 into 13

3.2.2 Understanding management decision making

1. Define what is meant by 'scientific decision making' and given an example.

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2. Define what is meant by 'intuitive decision making' and given an example.

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3. Draw a decision tree below for a decision of your choice and calculate the expected values and net gains.

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Year 12 into 13

4. Give the five key influences that could influence decision making in a business.

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3.2.3 Understanding the role and importance of stakeholders

1. Draw and label the stakeholder mapping theory below.

2. List 3 different influences on the business' relationship with its stakeholders.

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3. What are the different 5 different ways a business can manage its relationship with different stakeholders.

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3.3 Decision making to improve marketing performance

3.3.1 Setting marketing objectives

1. List 5 different marketing objectives a business may set itself.

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2. List two internal and external influences on marketing objectives.

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3.3.2 Understanding marketing and customers

1. Give two types of primary research.

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2. Give two types of secondary research.

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Year 12 into 13

3. Give two benefits of using qualitative data.

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4. Give two limitations of using quantitative data.

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5. Draw below a marketing map for the soft drinks industry.

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Year 12 into 13

6. Give the formula for market share.

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7. Give the formula for market growth.

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8. List the three different types of sampling.

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9. Explain what is meant by a strong positive correlation.

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10. Explain what is meant by a weak negative correlation.

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11. Explain what is meant by the term ‘confidence interval’.

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12. Explain what is meant by the term ‘extrapolation’.

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13. What does it mean if a business has a price elasticity demand value of -0.8? What does this mean for the business?

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14. What does it mean if a business has a price elasticity demand value of -1.8? What does this mean for the business?

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Year 12 into 13

3.3.3 Making marketing decisions: segmentation, targeting and positioning

1. Give the four different ways a market can be segmented.

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2. What is the difference between a niche and a mass market?

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Year 12 into 13

3.3.4 Making marketing decisions: using the marketing mix

1. Define the marketing mix (including the 7 P's).

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2. Draw the Boston Matrix below.

3. Draw the Product Life Cycle below.

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Year 12 into 13

4. Explain the difference between penetration pricing and price skimming.

5. Give three promotional methods that could be included in the promotional mix.

6. Give three distribution channels that could be used by a business.

7. What is meant by the term ‘e-commerce’.

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Year 12 into 13

3.4 Decision making to improve operational performance

3.4.1 Setting operational objectives

1. Give the 6 different operational objective that a business may set itself.

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2. Give two internal and two influences on the operations objectives.

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3.4.2 Analysing operational performance

1. Give the formula for labour productivity.

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2. Give the formula for unit costs.

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3. Give the formula for capacity utilisation.

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Year 12 into 13

3.4.3 Making operational decision to improve performance: increasing efficiency and productivity

1. Define ‘capacity’.

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2. Define ‘lean production’.

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3. Give two benefits and two difficulties of using lean production.

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4. What is meant by the optimal resource mix?

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5. How can technology be used to improve operational performance?

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Year 12 into 13

3.4.3 Making operational decision to improve performance: quality

1. What is meant by the term quality?

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2. What is the difference between quality control and quality assurance?

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3. Give two benefits of improving quality.

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4. Give two consequences of poor quality.

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Year 12 into 13

3.4.5 Making operational decisions to improve performance: managing inventory and supply chains

1. Define the term ‘mass customisation’.

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2. Give three ways a business can manage supply to match demand.

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3. Draw and fully label an inventory control chart below.

4. List 5 influences on the choice of supplier.

5. Define the term ‘outsourcing’.

3.5 Decision making to improve financial performance

3.5.1 Setting financial objectives

1. Give 5 financial objectives a business may set itself.

2. Give two internal and external influences on the setting of financial objectives.

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Year 12 into 13

3.5.2 Analysing financial performance

1. Define the term ‘budget’.

2. Explain what a ‘favourable variance’ is.

3. Explain what an adverse variance is.

4. Explain what a ‘payable’ is.

5. Explain what a ‘receivable’ is.

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Year 12 into 13

6. Draw and label a breakeven chart below.

7. What is the formula used to calculate breakeven output.

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8. Give two benefits of using breakeven analysis.

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9. Give two drawbacks of using breakeven analysis.

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Year 12 into 13

3.5.3 Making financial decisions: sources of finance

1. Define and give one benefit and one drawbacks of ‘debt factoring’.

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2. Define and give one benefit and one drawbacks of ‘overdrafts’.

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3. Define and give one benefit and one drawbacks of ‘retained profits’.

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4. Define and give one benefit and one drawbacks of ‘share capital’.

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Year 12 into 13

5. Define and give one benefit and one drawbacks of ‘loans’.

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6. Define and give one benefit and one drawbacks of ‘venture capital’.

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Year 12 into 13

3.5.4 Making financial decisions: improve cash flow and profits

1. Give 4 ways that a business can improve its cash flow.

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2. Give 4 ways that a business can improve its profits.

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3.6 Decision making to improve human resources decision making

3.6.1 Setting operational objectives

1. Give 6 HR objectives that a business may set itself.

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2. Give two internal and two external influences on the setting of HR objectives.

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Year 12 into 13

3.6.2 Analysing human resource performance

1. Give the formula for labour turnover.

2. Give the formula for labour retention rates.

3. Give the formula for labour productivity.

4. Give the formula for labour turnover.

5. Give the formula for employee costs as a percentage of turnover.

6. Give the formula for labour cost per unit.

3.6.3 Improving organisational design and human resource flow

1. Summarise the Hackman and Oldham model below.

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Year 12 into 13

2. Give the 5 influences on organisational design.

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3. Define the term ‘delegation’.

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4. Explain the difference between centralisation and decentralisation.

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5. Give 5 elements included in the human resource flow.

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Year 12 into 13

3.6.4 Making human resources decisions: improving motivation and engagement

1. Give the 5 motivational theories that exist.

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2. Give four financial methods of motivation.

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3. Give two benefits of having a motivated workforce.

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3.6.5 Making human resource decisions: improving employer-employee relations

1. Explain what is meant by the term ‘trade unions’.

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2. Explain what is meant by the term ‘work councils’.

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Year 12 into 13

Task 2 – Potential Exam Questions. Choose ONE exam question from each specification area to answer in full. Answer them as 16 mark questions.

3.1. What is business?

1. *Do you agree that a Business is correct to set up as a public limited company rather than a private limited company? Justify your view.*

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Year 12 into 13

2. *Do you think that shareholders are the biggest influence a Businesses decision to expand in to global markets? Justify your view.*

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Year 12 into 13

3.2 Managers, leadership and decision making

1. *Evaluate the possible implications of a manager changing their leadership style using the Tannenbaum Schmidt continuum. Justify your view.*

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Year 12 into 13

2. *Evaluate the value of a Business using decision trees to aid their decision making. Justify your view.*

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Year 12 into 13

3.3 Decision making to improve marketing performance

1 *To what extent do you think that product is the most important element of the marketing mix? Justify your view.*

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Year 12 into 13

2 *To what extent do you think that primary market research helps Businesses more than secondary market research? Justify your view.*

A-level Business: Summer Independent Learning

Year 12 into 13

3 *To what extent do you think it is a good idea for Businesses to change its positioning in the market? Justify your view.*

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Year 12 into 13

3.4 Decision making to improve operational performance

1 *To what extent do you think that adopting lean production is guaranteed to lead to higher profits? Justify your view.*

2 *Do you think that outsourcing is the best option for a Business to do to help match their supply to demand? Justify your view.*

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Year 12 into 13

3.5 Decision making to improve financial performance

1 *Evaluate the best ways for a Business to improve their current breakeven output.*

A-level Business: Summer Independent Learning

Year 12 into 13

2 *Do you think that debt factoring is the best way for a business to improve their cash flow? Justify your view.*

A-level Business: Summer Independent Learning

Year 12 into 13

3 *Do you think that Businesses are right to use venture capital rather than a loan to fund the investment into new technology? Justify your view.*

A-level Business: Summer Independent Learning

Year 12 into 13

3.6 Decision making to improve human resources decision making

1 *To what extent should a Business be concerned about the rise in the company's unit labour costs? Justify your view.*

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Year 12 into 13

2 *To what extent will a decision to decentralise enable a Business to achieve its HR objectives? Justify your view.*

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Year 12 into 13

3 *To what extent is the decision by managers at a Business to use non-financial methods of motivation for its employees the best way to improve its competitiveness?. Justify your view.*

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Year 12 into 13

Task 3 – Preview Work

Within the first couple of weeks of you returning as a year 13 student you will look at topic 3.7.3 assessing the existing internal position of a business to assess strengths and weaknesses – overall performance. In this topic you will look at different ways to assess Business performance. To help you do this you will be introduced a new theory; Elkington's Triple Bottom line. In preparation for learning on this, please complete the following:

Elkington's Triple Bottom Line

Watch the video tutorial on Elkington's Triple Bottom Line and answer the questions that follow: https://www.tutor2u.net/business/reference/corporate-social-responsibility- elkingtons-triple-bottom-line

1. Draw and fully label Elkington's Triple Bottom Line theory.

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Year 12 into 13

2. What does profit measure?

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3. What does people measure?

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4. What does planet measure?

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5. Give two benefits associated with Elkington's Triple Bottom Line.

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6. Give two drawbacks associated with Elkington's Triple Bottom Line.

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A-level Business: Summer Independent Learning

Year 12 into 13

Part Two – Strongly Recommended Additional Content

The section below should take between 4 to 6 hours to complete

Task 1 – Mind Maps

Please complete the following six mind maps.

A-level Business: Summer Independent Learning

Year 12 into 13

Name:

AQA A-Level Business - Year 1 - Unit 1

The Different Legal Forms of Business

Type of Ownership	Example	Advantages	Disadvantages
Sole Trader			
Partnership			
Private Limited Company (LTD)			
Public Limited Company (PLC)			

What is the formula for market capitalisation?

Explain one reason why private individuals invest in shares.

Explain one influence on share prices.

Explain one reason why a business would change ownership?

What is the difference between the public & private sector?

What is the relationship between mission & objectives?

All objectives should be...

S M A R T

List 5 Business Objectives

1. WHAT IS BUSINESS?

Why would someone set up not-for-profit business?

The Hierarchy of Objectives

- Mission Statements
- Corporate Aims
- Corporate Objectives
- Functional Objectives

Why would a business write a mission statement?

The Importance of Profit

Output	10,000 Units
Price	£5 per unit
Fixed Costs	£5,000
Variable Costs	£3 per unit
Profit	

Why is profit so important to a business?

*
*
*
*

Explain how these external factors impact costs and demand

Competition

Market Conditions

Incomes

Environmental

Interest Rates

Demographic

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Year 12 into 13

Name:

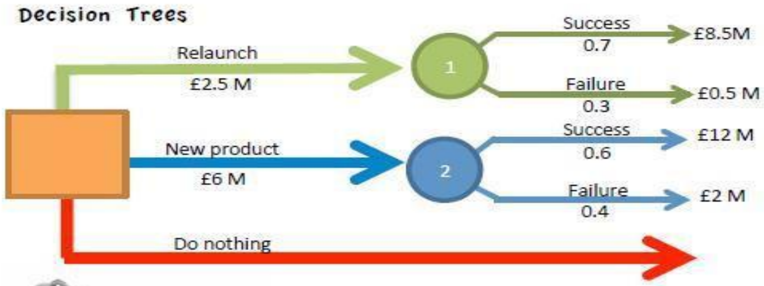
AQA A-Level Business - Year 1 - Unit 2

The Functions of Management

P	D
O	C

"Management is the art of getting things done through ______"

Decision Trees



Benefits of Decision Trees

Drawbacks of Decision Trees

Types of Management & Leadership Style

	Key Features
Autocratic	
Democratic	
Laissez-faire	

Decision making always involves...

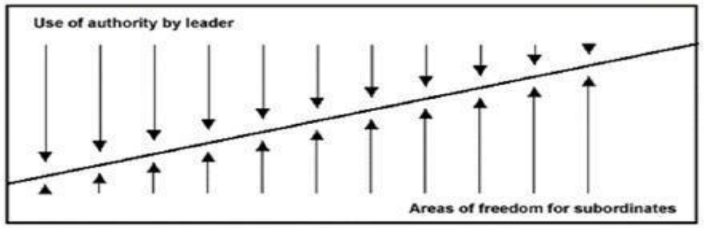
* R
* R
* Un
* Op

Influence	How does it influence decision making?
Business Objectives	
Ethics	
External Environment	
Resource Constraints	

2. MANAGERS, LEADERSHIP & DECISION-MAKING

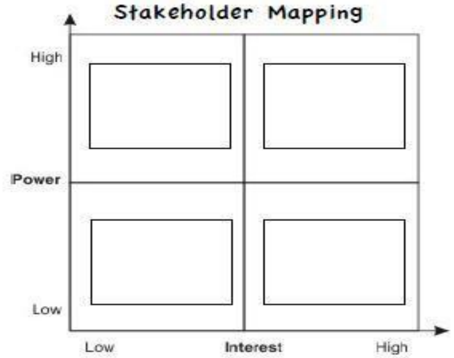
Tannenbaum & Schmidt Continuum

Autocratic Style ⟷ Democratic Style



T S C S D

Stakeholder Mapping



Examples of Stakeholders

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What is the key to managing stakeholder relations?

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Year 12 into 13

Name:
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THE MARKETING MIX – 7P'S

The main variables compromising a firms marketing strategy.
An integrated marketing mix fits together to support the sale.

PRODUCT USP | Product Mix | Boston Matrix | Life Cycle | Extension Strategy

PRICE Skimming | Penetration | Leadership | Taking | Loss Leaders

PROMOTION Advertising | Branding | Packaging | Sales Promo | Merchandising | Personal Selling | PR

PLACE Distribution Channels | Traditional | Modern | Direct

PEOPLE

PROCESS

PHYSICAL ENVIRONMENT

ELASTICITY OF DEMAND

The responsiveness of demand to a change in a variable.

Price Elasticity of Demand

Income Elasticity of Demand

	Price Rise	Price Fall
Elastic Demand	Revenue ↑ ↓	Revenue ↑ ↓
Inelastic Demand	Revenue ↑ ↓	Revenue ↑ ↓

How have developments in technology affected marketing functions?

MARKET SEGMENTATION

List three methods of market segmentation

*
*
*

3. DECISION MAKING TO IMPROVE MARKETING PERFORMANCE

List three typical Marketing objectives

*
*
*

Niche Market

Mass Market

INTERPRETING MARKETING DATA

+ve Correlation | -ve Correlation | Extrapolation

Why does a business use confidence intervals?

How do you calculate the following?

Market Share	Sales Growth
Market Growth	Market Size

MARKET RESEARCH

Why do it? | Types | Examples

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Year 12 into 13

Name:
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4. DECISION MAKING TO IMPROVE OPERATIONAL PERFORMANCE

EFFICIENCY

Using fewer inputs to produce a given output

Increasing labour productivity

Methods	Difficulties
* * *	* * *

Using Capacity More Efficiently - How?

Use Technology

Benefits	Problems
* * *	* * *

Choosing the Right Mix of Resources
L___ L_____ C______ E_________

Capital Intensive	Labour Intensive

LEAN PRODUCTION

Requires a committed and co-operative workforce focused on reducing waste. Explain one way of reducing waste.

How does efficiency lead to lower costs per unit?

IMPROVING QUALITY

A quality product will satisfy customer needs.

Quality Assurance	TQM

Benefits of Improving Quality

Consequence of poor quality

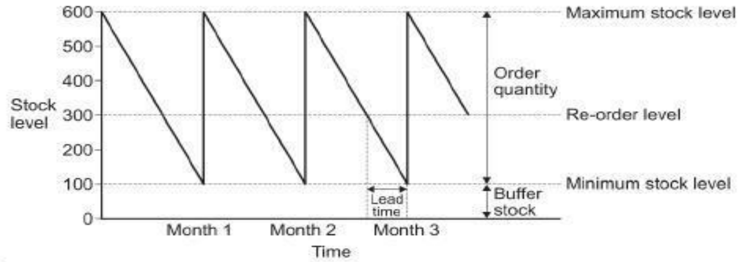
List three typical Operational objectives

*
*
*

How do you calculate/explain the following?

Labour Productivity	Capacity
Unit Cost	Capacity Utilisation

MANAGING INVENTORY (Stock)



Using the key terms explain what this chart shows...

Give three influences on the amount of stock held

*
*
*

Explain how a business manages supply to match demand...

MANAGING THE SUPPLY CHAIN

Businesses aim to have the right ____ in the right _____ at the right ____. This requires managers to decide ____ to produce, ____ to produce and ___ ____ to produce.

Just-In-Time (JIT)

Benefits	Drawbacks

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Year 12 into 13

Name:

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List three types of **BUDGETS**

*
*
*

Benefits of Budgets

Drawbacks of Budgets

Calculate the variance

Item	Budget (£)	Actual (£)	Variance (£)
Sales Revenue	39,500	42,420	
Fixed Costs	9,500	9,500	
Total Costs	33,725	36,331	
Profit/Loss	5,775	6,089	

Formula for contribution

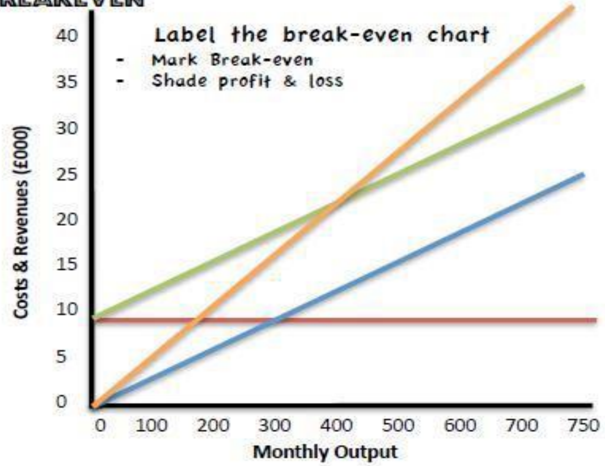
Formula for break-even

What is the margin of safety?

Calculate break-even output

Selling Price	£60
Variable Cost	£35
Fixed Cost	£10,000

BREAKEVEN



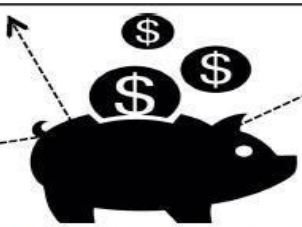
CASH FLOW

What is cash flow?

How is it different from profit?

Give two ways it could be improved…

*
*



5. DECISION MAKING TO IMPROVE FINANCIAL PERFORMANCE

List three typical financial objectives

£
£
£

Why set objectives?

What could influence the objectives?

PROFITABILITY

Gross Profit Margin

Operating Profit Margin

Profit for the Year Margin

	£
Revenue	200,000
Cost of Sales	147,000
Gross Profit	
Overheads	22,500
Operating Profit	
Profit for the Year	10,000

Complete the table & the calculate the margins

How could profitability be improved?

Complete the cash flow forecast… Spot the issues

Item	Jan	Feb	Mar	Apr
Cash In	150	300	400	400
Cash Out	400	400	350	350
Net Cash Flow				
Opening Balance	50			
Closing Balance				

SOURCES OF FINANCE

	Advantages	Disadvantages
Retained Profit		
Selling Assets		
Equity		
Loans		
Debt Factoring		
Trade Credit		

A-level Business: Summer Independent Learning

Year 12 into 13

Name:

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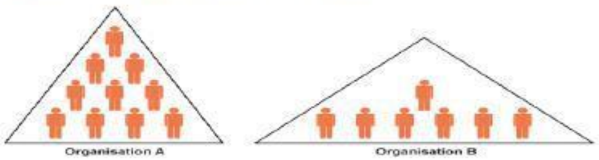
ORGANISATIONAL DESIGN



Key Term	Definition
Authority	
Span of Control	
Hierarchy	
Delegation	
Centralisation	
Decentralisation	

JOB DESIGN

Hard HR Approach

Soft HR Approach

MOTIVATIONAL THEORISTS

Maslow

Herzberg

Taylor

Mayo

Financial Motivators

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£ Non-Financial Motivators

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6. DECISION MAKING TO IMPROVE HR PERFORMANCE

List three typical HR objectives

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What are the benefits of fulfilling these objectives?

What could influence the objectives?

HR FLOW

1 R__________ & S________

2 T________

3 A_________ & P_________

4 R__________ & R____________

How does managing the HR Flow help meet the HR objectives?

What is the key to good employer-employee relations?

Benefits

Trade Unions

Drawbacks

Complete the table with the correct formula

Analysing Human Resource Performance	
Labour Turnover	
Labour Retention	
Labour Productivity	
Employee Cost as % of Turnover	
Labour Cost per Unit	

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Task 2 – Business Winners and Losers

View the link/s given for each business and complete the tables with detailed findings;

Business One: Disney

Link: https://www.thewaltdisneycompany.com/disney-launches-innovative-new-e-commerce-destination-prototype-store-design/

What has happened, which topics from Year 12 does this link to?	
Who have or may be affected e.g. stakeholders?	
Why has this happened? Analyse the situation	
Your judgement on the situation.	

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Questions?	

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Business Two: Lush

Link: https://www.theodysseyonline.com/why-lush-cosmetics-is-business-genius

What has happened, which topics from Year 12 does this link to?	
Who have or may be affected e.g. stakeholders?	
Why has this happened? Analyse the situation	
Your judgement on the situation.	
Questions?	

A-level Business: Summer Independent Learning Year 12 into 13

Task 3 – Exam Technique

"To what extent are cyber attacks the biggest external threat to businesses operating internationally?" 25 marks

https://www.bbc.co.uk/news/articles/c0el31nqnpvo

You are to produce an essay that looks at whether cyber attacks are the biggest threat to businesses operating internationally. Use the following structure to support:

Paragraph 1	Define a key term relevant to the question
	Point – answer the question directly with a knowledge point (*To some extent, I think* *Cyber attacks are the biggest external threat to businesses operating internationally* *because…*) **E**vidence – use evidence from the article to support your knowledge point *(In the article it states…)* **A**nalysis – develop at least 3 chains of logical argument to analyse why the point you have made makes cyber attacks the biggest external threat (*this means… therefore… as a result…*) **L**ink back to question – summarise your point with evaluation whilst linking back to the question
Paragraph 3	**P**oint – answer the question directly with a knowledge point (However, *to some extent I don't think cyber attacks are the biggest external threat to businesses operating internationally because…*) **E**vidence – use evidence from the article to support your knowledge point *(In the article it states…)*

A-level Business: Summer Independent Learning Year 12 into 13

	Analysis – develop at least 3 chains of logical argument to analyse why the point you have made makes cyber attacks less of a threat (*this means… therefore… as a result…*) **L**ink back to question – summarise your point with evaluation whilst linking back to the question
Paragraph 4	**A**nswer the question with a judgement (*Overall, I think cyber attacks are/are not the biggest external threat to businesses operating internationally.*) **J**ustify judgement including a summary of your previous point and an additional point to sway your argument (*I think this because… I also think this because…*) **I**t depends on – think about why your judgement may change/why others may disagree with you (*However, whether they do survive or not may depend on…*)