

### Unit 3.1 Business in the real world

Section	Key things to learn
The purpose and nature of businesses	<ul style="list-style-type: none"><li><input type="checkbox"/> What a business is and the reasons why a business is set up</li><li><input type="checkbox"/> Functions of business</li><li><input type="checkbox"/> Type of business</li><li><input type="checkbox"/> Goods and services</li><li><input type="checkbox"/> Factors of production: land, labour, capital and enterprise</li><li><input type="checkbox"/> Opportunity cost</li><li><input type="checkbox"/> Business sectors: primary, secondary and tertiary</li><li><input type="checkbox"/> Enterprise and the role of entrepreneurs in starting businesses</li><li><input type="checkbox"/> Objectives, characteristics and skills of successful entrepreneurs</li><li><input type="checkbox"/> Dynamic nature of business and its changing environment: technology, the economy, legislation and environmental considerations.</li></ul>
Business ownership	<ul style="list-style-type: none"><li><input type="checkbox"/> The different options for a start-up and established businesses</li><li><input type="checkbox"/> Sole traders, partnerships, private limited companies, public companies, not-for-profit organisations</li><li><input type="checkbox"/> Advantages and disadvantages of each legal structure</li><li><input type="checkbox"/> Importance of limited liability</li></ul>
Setting business aims and objectives	<ul style="list-style-type: none"><li><input type="checkbox"/> Common aims and objectives</li><li><input type="checkbox"/> How objectives help management run the business</li><li><input type="checkbox"/> Relationships between business objectives and business operation</li><li><input type="checkbox"/> Choice of business objectives and why they change</li><li><input type="checkbox"/> Non-financial objectives</li></ul>
Stakeholders	<ul style="list-style-type: none"><li><input type="checkbox"/> Who stakeholders are</li><li><input type="checkbox"/> Stakeholder objectives and relationship to business operation</li><li><input type="checkbox"/> Stakeholder conflict</li></ul>
Business location	<ul style="list-style-type: none"><li><input type="checkbox"/> Factors that influence where a business is located</li></ul>
Business planning	<ul style="list-style-type: none"><li><input type="checkbox"/> Purpose of business planning</li><li><input type="checkbox"/> Main sections of a start-up business plan</li><li><input type="checkbox"/> Benefits and drawbacks of business planning</li><li><input type="checkbox"/> Difference between variable, fixed and total costs Concepts of revenue, costs, profit and loss</li></ul>
Expanding a business	<ul style="list-style-type: none"><li><input type="checkbox"/> Why businesses grow</li><li><input type="checkbox"/> Internal and external methods of growth</li><li><input type="checkbox"/> Economies and diseconomies of scale</li><li><input type="checkbox"/> Calculation of average unit costs and importance of this calculation</li></ul>

<b>Unit 3.2 Influences on business</b>	
<b>Section</b>	<b>Key things to learn</b>
Technology	<input type="checkbox"/> The impact of changing use of ICT <input type="checkbox"/> E commerce and how it allows access to wider markets <input type="checkbox"/> Digital technology and digital communication <input type="checkbox"/> Digital communication in relation to stakeholders
Ethical and environmental considerations	<input type="checkbox"/> Ethical behaviour <input type="checkbox"/> Ethical considerations versus profit <input type="checkbox"/> Environmental considerations <input type="checkbox"/> Costs and benefits of environmental responsibility <input type="checkbox"/> Sustainability
Economic climate	<input type="checkbox"/> How interest rate changes affect businesses <input type="checkbox"/> How employment levels affect businesses <input type="checkbox"/> Income levels and their effect on demand for products and services
Globalisation	<input type="checkbox"/> How UK businesses compete internationally <input type="checkbox"/> Exchange rates and their impact
Legislation	<input type="checkbox"/> The impact of legislation on businesses <input type="checkbox"/> Employment law <input type="checkbox"/> Health and safety law <input type="checkbox"/> Consumer law
Competitive environment	<input type="checkbox"/> Market competition and its impact <input type="checkbox"/> Uncertainty and risks

<b>Unit 3.3 Business operations</b>	
<b>Section</b>	<b>Key things to learn</b>
Production processes	<input type="checkbox"/> Methods of production: job and flow Increasing efficiency <input type="checkbox"/> Lean production & Just-in-time
The role of procurement	<input type="checkbox"/> Stock management <input type="checkbox"/> Just in time versus just in case <input type="checkbox"/> Choice of suppliers <input type="checkbox"/> Effects of procurement and logistics <input type="checkbox"/> Efficiency and cost reduction versus quality <input type="checkbox"/> Supply chain management
The concept of quality	<input type="checkbox"/> Customer expectations of quality <input type="checkbox"/> Measuring quality and identifying quality problems <input type="checkbox"/> Total quality management <input type="checkbox"/> Cost and benefits of quality
Good customer services	<input type="checkbox"/> Sales process and methods of good customer service <input type="checkbox"/> Benefits of good customer service <input type="checkbox"/> Dangers of poor customer service <input type="checkbox"/> Use of ICT in achieving good customer service

<b>Unit 3.4 Human resources</b>	
<b>Section</b>	<b>Key things to learn</b>
Organisational structures	<input type="checkbox"/> Different organisational structures and their appropriateness <input type="checkbox"/> Roles and responsibilities within an organisation <input type="checkbox"/> Relevance and use of spans of control, chains of command, layering and delegation <input type="checkbox"/> Relationships between organisational structures and effective management and communication including centralisation and decentralisation
Recruitment and selection of employees	<input type="checkbox"/> Methods of recruitment, internal versus external <input type="checkbox"/> The stages of the recruitment process <input type="checkbox"/> The benefits of effective recruitment <input type="checkbox"/> Job contracts including part time, full time, job share and zero hours
Motivating employees	<input type="checkbox"/> Benefits of motivation <input type="checkbox"/> Financial and non-financial methods of motivation
Training	<input type="checkbox"/> Benefits of training <input type="checkbox"/> Methods of training including induction, on the job and off the job training

<b>Unit 3.5 Marketing</b>	
<b>Section</b>	<b>Key things to learn</b>
Understanding customers	<input type="checkbox"/> Satisfying customer needs
Segmentation	<input type="checkbox"/> Benefits and methods of segmentation
Purpose and methods of market research	<input type="checkbox"/> Reasons why market research is conducted <input type="checkbox"/> Qualitative versus quantitative market research <input type="checkbox"/> Methods and techniques <input type="checkbox"/> Data interpretation and presentation <input type="checkbox"/> Market size versus market share
Elements of the marketing mix: price, product, promotion and place (4Ps)	<input type="checkbox"/> Pricing methods <input type="checkbox"/> Factors affecting pricing decisions <input type="checkbox"/> New product development <input type="checkbox"/> Product design and product differentiation <input type="checkbox"/> Product life cycle and extension strategies <input type="checkbox"/> Product portfolio and the Boston Matrix <input type="checkbox"/> Promotional methods <input type="checkbox"/> Benefits and drawbacks of promotional methods <input type="checkbox"/> Factors affecting promotional decisions <input type="checkbox"/> Channels of distribution <input type="checkbox"/> Appropriateness of different channels of distribution <input type="checkbox"/> E-commerce and m-commerce <input type="checkbox"/> Benefits and drawbacks of using e-commerce and m-commerce <input type="checkbox"/> Choosing a marketing mix

<b>Unit 3.6 Finance</b>	
<b>Section</b>	<b>Key things to learn</b>
Sources of finance	<input type="checkbox"/> Sources of internal and external finance for new and existing businesses <input type="checkbox"/> Advantages and disadvantages of different sources of finance <input type="checkbox"/> Choosing the most effective finance source
Cash flow	<input type="checkbox"/> Importance of cash flow to a business <input type="checkbox"/> Cash versus profit <input type="checkbox"/> Completion and understanding of cash flow forecasts <input type="checkbox"/> Causes and solutions to cash flow problems
Financial terms and calculations	<input type="checkbox"/> Difference between variable, fixed and total costs <input type="checkbox"/> Calculating revenue, costs and profit <input type="checkbox"/> Investment measures including average rate of return <input type="checkbox"/> Understanding and evaluating break-even calculations <input type="checkbox"/> Interpreting break-even charts, identifying break-even points and the margin of safety
Analysing financial performance	<input type="checkbox"/> Understanding the components and purpose of financial statements <input type="checkbox"/> Being able to interpret and compare financial statements and relate to decision making <input type="checkbox"/> Calculate and interpret gross and net profit margins