

Scheme of work: two years

Introduction

This scheme of work offers a route through the GCSE Business Studies (8132) specification.

It covers the specification in a logical order and suggests possible teaching and learning activities for each section of the specification.

The specification references are shown at the start of each section, whilst the learning outcomes indicate what most students should be able to achieve after the work is completed.

Timings have been suggested but are approximate. Teachers should select activities appropriate to their students and the curriculum time available.

The order is by no means prescriptive and there are many alternative ways in which the content could be organised.

The resources indicate those resources commonly available to schools, and other references that may be helpful. Resources are only given in brief and risk assessments should be carried out.

Assumed coverage

This scheme assumes the GCSE is taught over two years, with two hours of teaching per week. This equates to approximately 60 hours per year and 120 hours over the two-year course. All suggested timings are approximate and will depend on the ability of students and the activities used to teach topics. This scheme of work is designed as a suggestion only and not as a prescriptive approach. Due to the time frame of the course schools are encouraged to include exam preparation examples and tasks throughout the course.

General timings

Year 1

- 3.1 Business in the real world (3.1.1-3.1.7) 25 hours
- 3.2 Influences on business (3.2.1-3.2.6) 20 hours
- 3.4 Human resources (3.4.1-3.4.4) 15 hours

Year 2

- 3.3 Operations management (3.3.1-3.3.4) 20 hours
- 3.5 Marketing (3.5.1-3.5.4) 25 hours
- 3.6 Finance (3.6.1-3.6.4) 15 hours

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3.1 Business in the real world

Teach before: 3.2 Influences on business

3.1.1 The purpose and nature of businesses

Specification content

- Purpose of business
- Reasons for starting a business

Learning objective

To understand what a business is and the reasons for starting a business.

Additional guidance

Reasons for starting a business include producing goods, supplying services, distributing products, fulfilling a business opportunity and providing a good or service to benefit others.

Suggested timing

1 hour

Learning activities and resources

- Business types – show pictures of a variety of businesses – students to explain what the purpose of each business is.
- Stretch and challenge opportunity – students to generate ideas of other businesses that are created for each purpose.
- Watch '[Purpose and nature of business](#)' (BBC Bitesize).
- Reasons for starting a business will overlap with entrepreneur's objectives. See section below for further ideas.

Specification content

Basic functions and types of business

Learning objectives

- To understand the difference between goods, services, needs and wants.
- To understand the meaning of factors of production.
- To define opportunity cost.
- To define the three sectors of primary, secondary and tertiary and give examples of types of businesses that operate in each sector.

Additional guidance

Characteristics of an entrepreneur include being hard working, innovative, organised and willing to take a risk.

Suggested timing

1 hour

Learning activities and resources

- Camping decisions – have a list of items for a camping weekend. Which items are needs and which items are wants?
Or
- Complete the [NASA Exercise: Survival on the Moon exercise \(California State University Ohio\)](#).
- Reference webpage on [goods vs services \(Tutor2U\)](#).
- Worksheet or mini white board activity – students to categorise lists or pictures into goods and services..
- Look at picture of PS4 – what resources have been used to create the product?
- Watch video on [what resources go into making hot dogs? \(Hotdog.org\)](#).
- Watch the video on [factors of production \(Tutor2u\)](#) (1.55 minutes).
- Show students images of takeaway/delivery options (pizza, Chinese food etc) and ask them to explain which they would choose and why.
- Students to create a simple budget of money earned and money spent over the last month to realise that they have a choice to make when spending money.
- Explain the opportunity cost of time – the benefits of school work or playing computer games.
- Watch [Rubik's cube world record video](#) showing a specialist in a particular area – explain the opportunity cost of their time to get to this level.
- Read [case studies of past entrepreneur contenders on Dragons' Den](#).
- [Primary, secondary and tertiary sectors](#) – explain the three sectors. Students to generate examples of businesses in each section or sorting activity putting examples under the correct heading.
- Explain a simple chain of production – a tree being cut down, wood made into a chair, a chair being sold in a retailer.
- Students to draw their own examples of a chain of production.
- Exercise: Exam questions:
 - Paper 1, 2019, Q1.3, 1 mark

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- Paper 1, 2020, Q1.3, 1 mark
- Paper 2, 2020, Q2.1, 1 mark
- Paper 2, 2021, Q1.5, 1 mark
- Paper 1, 2022 Q3.2, 4 marks.

Extension

- Encourage students to identify and explain examples of goods and services in more complicated scenarios like a restaurant or going to the cinema.

Exercise: Exam questions: 2019, Paper 1, Q1.11, 2 marks, 2020, Paper 1, Q2.5, 2 marks.

Specification content

Business enterprise and entrepreneurship

Learning objectives

- To understand the term enterprise and what is meant by an entrepreneur.
- To outline the characteristics of an entrepreneur.
- To outline the objectives of an entrepreneur.

Additional guidance

Objectives of an entrepreneur include being their own boss, flexible working hours, to pursue an interest, earn more money, identify a gap in the market and dissatisfaction with current job.

Suggested timing

1 hour

Learning activities and resources

- Show students pictures of famous entrepreneurs and ask students to guess their names.
- Watch [‘Peter Jones How we made our Millions - Full \(Michelle Mone, Richard Reed\)’ \(YouTube\)](#) (58.51 minutes).
- Read the [Dragons’ Den article about successful entrepreneurs \(Startups\)](#).
- Research task – students to research a famous entrepreneur, what their business is, how they started etc.
- Read the [Jeff Bezos success story article \(CEO Today\)](#).
- Read the [Rihanna entrepreneur article \(Business Insider\)](#).
- Students to produce a list of characteristics of entrepreneurs.

Extension

- Students to explain which characteristic they think is the most important. This can be done using a diamond nine template.
- Exercise: Exam questions:
 - Paper 2, 2019, Q3.1, 2 marks
 - Paper 1, 2020, Q2.2, 1 mark
 - Paper 1, 2021, Q1.1, 1 mark.
- Using video clips from previous lessons or the one below, ask students to list the main objectives of an entrepreneur.
- Social responsibility objective – watch [‘What Jamie Oliver’s restaurant Fifteen is all about’ \(YouTube\)](#) (4.40 minutes).
- Read about [entrepreneur Duncan Bannatyne \(Business Case Studies\)](#).

Specification content

Dynamic nature of business

Learning objectives

To understand that businesses face a constantly changing business environment.

Additional guidance

Changes in business environment include changes in technology, economic situation, legislation and environmental expectations.

Suggested timing

1 hour

Learning activities and resources

- Students to list the main external factors that impact a business.
- For each article students should briefly explain the impact on businesses.

Economic factors

- Read the [article on the financial crisis \(Telegraph\)](#).
- Read the [article on 'What impact has Brexit had on the UK economy?' \(BBC\)](#).

Changing legislation

- Read the [article on child car seat rules \(BBC\)](#).
- Read the information [on the national minimum and living wage rates \(Gov.UK\)](#).
- [Read the article 'Sugary drinks tax may have prevented over 5000 cases obesity' \(UK Research and Innovation\)](#) then hold a discussion with students as to their thoughts on the tax and how they are affected.

Environmental factors

- Watch [Dragons' Den, Adejare Doherty \(BBC\)](#) – why is there an increasing number of environmentally friendly businesses?
- Read the [article on the 5p plastic bag charge \(Guardian\)](#).

Changing technology

- Show a [picture of Amazon's new Prime Air drone \(About Amazon\)](#) – students to guess what the drone does.
- Watch [video on 3D printers \(BBC\)](#).
- Research: students to identify an example of how changing technology has impacted businesses.
- Exercise: Exam questions 2020, Paper 1, Q3.1, 2 marks.
- Watch the video of [Polaroid case study \(BBC\)](#) (7 minutes) – example of the impacts of changing technology.
- Exercises could include giving examples of changes and getting students to suggest how a business might be affected, eg luxury brand effected by another financial crisis or small businesses effected by a change in the National Minimum Wage (exercise 15 minutes).

3.1.2 Business ownership

Specification content

- Sole traders
- Partnerships

Learning objectives

- To understand what is meant by a sole trader and the benefits and drawbacks of this legal structure.
- To understand what is meant by a partnership and the benefits and drawbacks of this legal structure.

Additional guidance

Benefits and drawbacks of each legal structure include issues such as management and control, sources of finance available, liability and distribution of profits.

Suggested timing

1 hour

Learning activities and resources

- Watch pictures and logos of a variety of businesses – ask students what the difference is between these businesses (eg number of employees, number of owners, objectives etc) – different business situations require different legal structures.
- Discuss the main benefits and drawbacks of being a sole trader from watching the [Bitesize sole trader video](#) (43 seconds) or [exploring the sole trader business model \(BBC\)](#).
- Students to list the main benefits and drawbacks in pairs.
- Exercise: Exam questions:
 - Paper 2, 2019, Q2.3, 9 marks
 - Paper 1, 2021, Q3.1, 4 marks.

Extension

- Why is it now easier than ever to set up as a sole trader and reach a large market?
- Spot the errors paragraph about sole traders.
- Use business examples like a local solicitors or doctors to illustrate the benefits of partnerships – show the range of services on offer due to different specialists.
- Ask students the issues/problems they face when working in pairs or teams – link this to conflicts and disagreements in partnerships.
- Explain how these can be resolved by having a deed of partnership.
- Students to generate a simple business idea with a partner and create a deed of partnership.
- Read the article on [‘John Lewis considers plan to change staff-owned structure’ \(BBC News\)](#).

Specification content

Private limited companies (Ltd)

Learning objectives

- To understand what is meant by a private limited company and the benefits and drawbacks of this legal structure.
- To understand the concept of limited liability and which businesses benefit from this.

Additional guidance

No understanding of the legal process of incorporation is expected.

Suggested timing

1 hour

Learning activities and resources

- Introduction to limited companies – [Ltds and Plcs \(BBC Teach\)](#).
- Explain the difference between businesses and companies.
- Watch short [clip from Dragons' Den \(BBC\)](#) – why do businesses want to involve other investors?
- Why is limited liability helpful in this situation? Read '[Super-sized' teenagers sue McDonald's' \(Guardian article\)](#)
- Exercise: Exam questions:
 - Paper 2, 2019, Q2.3, 9 marks
 - Paper 1, 2022, Q3.1, 4 marks.

Specification content

Public limited companies (Plc)

Learning objectives

To understand what is meant by a public limited company and the benefits and drawbacks of this legal structure.

Suggested timing

1 hour

Learning activities and resources

- Show [latest share prices \(Hargreaves Lansdown\)](#) for famous Plcs.
- Sorting activity of Ltds and Plcs.
- Show students a list of businesses who are Plcs and Ltds – include some which students might imagine are Plcs (eg Nintendo and Virgin group) – why would big businesses maintain their Ltd status?
- Fill in the gaps exercise assessing understanding of legal structures.
- Visit the website [Global Investor Challenge](#) – an international investment competition designed specifically for students around the world.
- Exercise: Exam questions:
 - Paper 1, 2022, Q1.1, 1 mark
 - Paper 2, 2022, Q3.3, 6 marks.

Specification content

Not-for-profit organisations

Learning objectives

- To understand what is meant by a not-for-profit organisation and the benefits and drawbacks of this legal structure.
- To evaluate which legal structure would be the most appropriate for a variety of business examples.

Additional guidance

Including new start-up businesses and large established businesses.

Suggested timing

1 hour

Learning activities and resources

- Read the [article 'Changing perceptions - New Business Interviews Lord John Bird MBE, founder of the Big Issue' \(New Business\)](#) – students to identify reasons for starting a not-for-profit organisation.
- Research not-for-profit organisations in the local area – why have they been set up? What is the social need that they are trying to improve?
- Read an [article on the slow demise of the charity shop experience \(Huffington Post\)](#) – what might be the potential drawback of these organisations?
- Complete the [BusinessEd 'Activities by Topic'](#).
- Students to create a table (without/minimal resources) including columns for type of legal structure, definition, benefit (x2), drawback (x2), real world example and size of business – what size of business would be most appropriate for the legal structure?
- Students are given different business examples/scenarios – in groups they should judge which legal structure they would choose and justify why that is the most appropriate structure.
- Watch the [video on what 'Social Enterprise' is \(YouTube\)](#) (1.35 minutes).
- Watch the [video 'The Eden Project: A Sustainable Paradise in the Heart of Cornwall' \(YouTube\)](#) (4.59 minutes) to show another example of not for profit.
- Watch the [video on Patagonia \(YouTube\)](#) and their transfer of ownership to a nonprofit organization (1.47 minutes).
- Read the article ['The firms giving nature a stake in their businesses' \(BBC News\)](#) – students can then hold a discussion as to why a business might choose to change their ownership.

3.1.3 Setting business aims and objectives

Specification content

- Business aims and objectives
- Purpose of setting objectives
- Role of objectives in running a business

Learning objectives

- To understand the main aims and objectives for businesses.
- To understand the role of objectives in running a business.

Additional guidance

The main aims and objectives for businesses include survival, profit maximisation, growth (domestic and international), market share, customer satisfaction, social and ethical objectives and shareholder value.

Suggested timing

1 hour

Learning activities and resources

- Students to mind map their own aims and then set their own objectives of how they think they will achieve them.
- Students to research the aims of different businesses, question why they have chosen them, and how they may differ from private to public sector.
- Students to brainstorm the main aims of the school.
- Teacher input on the difference between aims and objectives.
- Students to write themselves an aim and an objective for studying GCSE Business Studies.
- Read the ['Aims and Objectives of a Business GCSE \(Tutor2u\)](#).
- Show the [graph on iPhone sales \(Brand Tao\)](#) – what does this suggest are Apple's main objectives?
- Using the student's aims and objectives from the previous lesson – why is it helpful to set these objectives?
- Students to brainstorm the groups or individuals who would be interested in the objectives set – investors, managers, employees etc.
- Why would these groups be interested in the objectives set?
- Summary spider diagram on reasons for setting objectives.
- Exercise: Exam questions:
 - Paper 1, 2019, Q1.6, 1 mark
 - Paper 1, 2020, Q1.8, 2 marks
 - Paper 2, 2021, Q1.3, 1 mark
 - Paper 2, 2022, Q2.1, 2 marks.

Specification content

Changing objectives

Learning objectives

- To understand how and why the objectives set will differ between businesses.
- To understand how and why the objectives set may change as businesses evolve.

Additional guidance

- Reasons for differing objectives include the size of the business, level of competition faced and type of business (not-for-profit organisations).
- Students should consider how the objectives of larger more established businesses might differ from smaller start-up businesses, eg becoming the dominant business in the market, international expansion, increasing shareholder value and ethical and environmental considerations.

Suggested timing

1 hour

Learning activities and resources

- Students given three businesses, a local business, a national business and an international business. What would be the main two objectives that each business would set?
- Smaller business may focus more on survival – Read the [article on UK high street shop closures \(Guardian\)](#).
- How might Starbucks's objectives change over time? Read the article [‘Five things Starbucks did to get China right’ \(Forbes\)](#).
- Do larger businesses have more ethical and environmental considerations? Review [Sky News's environment webpage](#).
- Why are businesses concerned with shareholder value? Review [Yahoo's finance webpage](#).
- Established businesses focus on new product development to establish dominance in the market – read the [BBC article on PlayStation VR price competition](#). Is it always successful?
- Exercise: Exam questions:
 - Paper 2, 2019, Q3.5, 2 marks
 - Paper 1, 2020, Q2.1, 2 marks.

Specification content

Use of objectives in judging success

Learning objectives

To understand the success of a business can be measured in other ways than profit.

Suggested timing

1 hour

Learning activities and resources

- What were the main objectives for this business? Watch [Dragons' Den clip on Youdoodoll \(YouTube\)](#) (10.52 minutes).
- Did the business achieve these objectives? Read the [article on Youdoodoll \(MailOnline\)](#).
- What other methods can be used to measure success? Read the [article on ethical buying at Lush \(Lush\)](#).
- Students create a spider diagram of how businesses may judge success.
- Exercise: Exam question: Paper 1, 2020, Q3.5, 4 marks.

3.1.4 Stakeholders

Specification content

- Main stakeholders of businesses
- Objectives of stakeholders

Learning objectives

- To understand what is meant by a stakeholder and who the main stakeholders of a business are.
- To understand the main objectives of stakeholders.

Additional guidance

- Stakeholders of a business including owners, employees, customers, local community and suppliers.
- Main objectives including maximising pay for workers, minimising environmental impact on local community and high dividend payments for owners.

Suggested timing

1 hour

Learning activities and resources

- Starter: Students to guess what this product is for – show [image of an ostrich pillow](#).
- Students discuss which groups/individuals would be interested in the success of the [ostrich pillow and its new department store contract \(Daily Echo\)](#).
- Teacher led definition of a stakeholder.
- Students create a spider diagram of the main stakeholders of a local business.
- Read BBC article on [junior doctor strikes](#) and state who the stakeholders are and why and what conflict could there be. Other strikes could be used to illustrate.
- Read about [‘Stakeholders objectives’ \(BBC Bitesize\)](#).
- Pair work: For each stakeholder, pairs decide on the main objective that the stakeholder desires. You may want to show a range of pictures to help students understand the main objectives, for example [strike action](#) and [growth of money](#) etc.
- Exercise: Exam question: Paper 2, 2021, Q2.1, 2 marks.

Specification content

- Impact of business activity on stakeholders
- Impact and influence stakeholders have on businesses

Learning objectives

- To understand the impact that business activity and decisions have on stakeholders.
- To understand the impact and influence stakeholders have on businesses and their objectives.
- To understand how businesses may face conflict between stakeholders.

Suggested timing

1 hour

Learning activities and resources

- Watch [Tesco superpower money \(YouTube\)](#) (9.38 minutes).
- Students to identify the main impacts that Tesco's actions have had on their stakeholders, eg consumers – lack of choice, competition – forced out of the market.
- Recap on [stakeholders and introduction to conflicts \(BBC Bitesize\)](#).
- How do the media play a role in influencing businesses? Read the [article on Nestlé child labour \(BBC News\)](#).
- What has the government done to try to restrict the issue of sugar in fizzy drinks? Read the [article on the soft drink sugar tax \(BBC News\)](#) and the [article 'Sugar tax: How will it work?' \(BBC News\)](#)
- Read the [Sky News article and watch the video on 'Coca-Cola To Pass on 'Majority' Of Sugar Tax' \(video 5.15 minutes\)](#).
- How does the Coca-Cola case study show a conflict in objectives?
- Link back to the Tesco video – how do the problems identified in the video show conflicts in objectives?
- Students to identify one clear conflict (eg shareholder objectives vs local community or customer objectives).
- Read the article on [stakeholder conflicts – 'Shell faces shareholder rebellion over fossil fuel production' \(Guardian\)](#).

3.1.5 Business location

Specification content

Factors influencing the location decision of a business

Learning objectives

- To understand what is meant by location.
- To understand the factors that influence the location decision of a business.
- To evaluate the appropriate location for a variety of businesses.
- To understand why some businesses decide to locate in other countries.

Additional guidance

Factors that influence where a business is located include proximity to the market, availability of raw materials, labour, competition and costs.

Suggested timing

2 hours

Learning activities and resources

- Choose a local business – students decide on the main benefits of locating where they have.
- Read '[Nature of the business activity](#)' (BBC Bitesize).
- Students to consider where they would buy a house/flat – what features would they look for in their ideal location?
- Students to create a spider diagram for the main factors that influence the location decision of a business.
- Research/computer activity – students plot on a local map where they would locate a variety of businesses. Businesses could include a cinema, theme park, designer clothes shop, luxury hotel, specialist sports shop, eBay shop and car factory.
- Students should write a paragraph justifying their location decision for each business explaining clearly why they have chosen the location and any issues that they face.
- Exercise: Exam questions:
 - Paper 2, 2019, Q1.12, 4 marks
 - Paper 2, 2020, Q2.7, 9 marks.
- Look at figures for the [average labour costs around the world \(OECD Data\)](#).
- Look at figures for the [fastest growing economies and markets \(Wikipedia\)](#).
- Students to list the main advantages of international location.
- Read the [article 'Primark to paying £6m more to victims of Rana Plaza factory in Bangladesh' \(Guardian\)](#).
- Students to list the main disadvantages of international location.
- Student task – you are the production director of Cadbury. You have been asked to produce a report summarising whether Cadbury should focus increasing the size of its current factories in Bournville or move all production facilities abroad to Ghana.
- Read the article '[Will the first Ikea in India succeed?](#)' (BBC News).

3.1.6 Business planning

Specification content

- The purpose of business planning
- The main sections within a business plan

Learning objectives

- To understand the reasons why businesses create plans.
- To understand the main sections of a business plan.
- To analyse the benefits and drawbacks of business planning.

Additional guidance

- Reasons include importance in setting up a new business, raising finance, setting objectives and detailing how functions of a business will be organised.
- Students will not be expected to write a business plan.

Suggested timing

2 hours

Learning activities and resources

- Students plan what they intend doing at the weekend – why is it helpful for them to make a plan? (Organise time, ensure they have the right resources to fulfil ideas etc).
- Review the [Prince's trust business plans](#).
- Watch the [video on raising finance \(BBC Bitesize\)](#) (37 seconds).
- Pair work: Create [a simple business plan using 'Starting a Business: Contents of a Startup Business Plan' \(Tutor2u\)](#). The plan should be based around a product design generated by the students. Although there is no requirement to write a business plan for the exam, this is a good activity to help students identify and understand the different components of a business plan.
- Watch the [video on Levi Roots from Dragons' Den](#) and discuss whether he did his business planning properly and how a business plan could help him (15 minutes video followed by a 5 minutes discussion).
- Exercise: Exam questions:
 - Paper 1, 2020, Q2.6, 6 marks
 - Paper 1, 2021, Q2.3, 9 marks
 - Paper 2, 2022, Q1.12, 4 marks.
- Using the business plan created, students should brainstorm the main benefits and drawbacks to a business of creating business plans.

Specification content

Basic financial terms

Learning objectives

- To understand the difference between variable costs, fixed costs and total costs.
- To understand the concept of revenue, costs, profit and loss.

Suggested timing

1 hour

Learning activities and resource

- Students to list 10 costs a local restaurant would have to pay.
- [Slideshow on the difference between fixed and variable costs \(Tutor2u\)](#) (students do not need to learn about semi-variable costs).
- Students to label each of their costs from the activity earlier, highlighting which are variable and which are fixed.
- Read about [financial terms and calculations \(BBC Bitesize\)](#).
- Read notes on [business \(fixed and variable\) costs \(Tutor2u\)](#).
- Teacher led notes on revenues and profit and the calculations required.
- Read about [revenue, cost and profit \(BBC Bitesize\)](#).
- Exercise: Exam question: 2022, Paper 2, Q2.1, 2 marks

Specification content

Basic financial calculations

Learning objectives

To calculate revenue, costs, profit and loss.

Suggested timing

1 hour

Learning activities and resource

- Students to complete worksheets testing simple revenue, costs, and profit or loss calculations.
- Exercise: Exam questions:
 - Paper 1, 2019, Q1.5, 1 mark, Q2.3, 5 marks, Q3.2, 3 marks
 - Paper 2, 2019, Q2.1, 3 marks
 - Paper 1, 2020, Q2.3, 5 marks, Q1.1 1 mark
 - Paper 1, 2021, Q2.2, 5 marks
 - Paper 1, 2022, Q2.2, 5 marks.

3.1.7 Expanding a business

Specification content

Methods of expansion

Learning objectives

- To understand the methods used by businesses when expanding.
- To discuss the advantages and disadvantages of each method of growth.

Additional guidance

Methods used by businesses when expanding include organic growth through franchising, opening new stores and expanding through e-commerce, outsourcing and external growth through mergers and takeovers.

Suggested timing

2 hours

Learning activities and resources

Lesson 1 – first half

- Focuses on internal growth through opening new stores and e-commerce.
- Explore the [benefits of a growing business \(BBC Bitesize\)](#).
- Starter: Show images of two businesses (eg a local café and a global business like Starbucks). Students to explain why the local café would want to expand. Read about [the first Starbucks \(Guardian\)](#).
- Read about [Subway's plans to increase global expansion \(CoStar\)](#) and discuss 'what are the benefits of Subway opening new stores?'
- E-commerce – why have Amazon been so successful? Watch a [short video on growth of Amazon \(YouTube\)](#) (5.53 minutes).

Lesson 1 – second half

- Focuses on franchising.
- Watch the video [‘What is franchising?’ \(YouTube\)](#) (2.41 minutes).
- Watch the [video advertising the Takeaway franchise \(Shakeaway\)](#).
- Watch the [video ‘What it takes to be a McDonald’s Franchisee in the UK’ \(YouTube\)](#) (5.03 minutes).
- Look at images of businesses that are franchised (eg McDonalds, Krispy Kreme, Starbucks etc). Include one business which is not a franchise – ask students to guess the odd one out. Discussion about the importance to businesses of not being able to identify whether stores are franchised.
- [Quiz: Are You Suited to Become a Franchisee? \(Entrepreneur\)](#).
- [Franchises word search \(WordMint\)](#).
- Students to create a spider diagram of the benefits and drawbacks of franchising from the [BBC teach video on ‘What is a franchise?’](#)
- Students to create a table for the main benefits and drawbacks of organic growth.

Lesson 2

- Focuses on outsourcing and external growth.
- Watch the video on [‘Why is outsourcing a big deal? BBC News’ \(YouTube\)](#) (3.38 minutes).
- Teacher led definitions on external growth, takeovers and mergers.
- Students to research a recent takeover or merger in the UK – students to consider the likely benefits of the business concerned, the disadvantages they may face and the potential impacts it will have on the workers and customers.
- Read the article on [‘Cadbury World take over by Merlin Entertainments’ \(InterPark\)](#).
- Read the article on [‘Ocado shares surge on Amazon takeover rumours’ \(BBC News\)](#).
- Exercise: Exam questions:
 - Paper 2, 2020, Q1.5, 1 mark, Q2.3, 6 marks
 - Paper 1, 2021, Q1.8, 2 marks, Q3.4, 2 marks, Q3.8, 12 marks
 - Paper 1, 2022, Q2.3, 9 marks, 2022, Paper 2, Q1.7, 2 marks.
- Watch the [merger between Dixons and Carphone Warehouse \(YouTube\)](#) (2.15 minutes) – what are the benefits of this merger?

Specification content

- Benefits and drawbacks of expansion
- Economies of scale

Learning objectives

To understand the benefits of growth in terms of unit cost advantages due to economies of scale.

Additional guidance

Economies of scale include purchasing and technical economies of scale.

Suggested timing

1 hour

Learning activities and resources

- Starter: What benefits would Lego receive from increasing their production facilities? Read the [article on reviving growth of Lego sales \(Guardian\)](#).
- Teacher led notes on the meaning of economies of scale.
- Watch the [BMW automation video \(YouTube\)](#) (14.16 minutes) – highlights benefits of technical economies of scale.
- Exercise: Exam questions:
 - Paper 2, 2019, Q1.11, 2 marks
 - Paper 1, 2021, Q3.5, 2 marks.

Specification content

Diseconomies of scale

Learning objectives

- To understand that, with growth, businesses increase the risk of diseconomies of scale.
- To calculate and interpret average unit costs.

Additional guidance

Diseconomies of scale occur due to poor communication, coordination issues and reduced staff motivation.

Suggested timing

1 hour

Learning activities and resources

- Teacher led introduction to formula for average unit costs.
- Calculation questions testing student understanding.
- Exercise: Exam questions:
 - Paper 2, 2019, Q1.6, 1 mark
 - Paper 1, 2022, Q3.4, 1 mark.

3.2 Influences on business

- Teach before: 3.4 Human resources
- Teach after: 3.1 Business in the real world

3.2.1 Technology

Specification content

Impact of the changing use of information communication technology (ICT)

Learning objective

To understand the impact of the changing use of ICT and how it influences business activity.

Suggested timing

1 hour

Learning activities and resources

- Watch the video on [how ICT has changed the workplace \(Wired\)](#) (5.13 minutes) to help students understand the influences on business activity.
- Consider how the use of ICT has changed – students to generate ideas of how ICT impacts them in the home. This could be presented in a spider diagram or students could be asked to draw their ideas.
- Students to brainstorm the main ways ICT impacts business activity, eg e-commerce, customer service, communications etc.

Specification content

E-commerce

Learning objective

To understand how e-commerce provides access to wider markets.

Suggested timing

1 hour

Learning activities and resources

- Starter: Watch the [Dragons' Den video about an online business 'Value My Stuff now'](#) (BBC).
- Why would businesses like [Value My Stuff](#) use e-commerce?
- Read the article ['Primark website crashes as click-and-collect launched'](#) (BBC News) – Students to then hold a discussion on why Primark are not online for all customers in all locations.
- What are the main benefits for small businesses using eBay or Amazon marketplace to sell their products?
- Students to create a table including the main benefits and drawbacks of e-commerce.
- Students to design the front webpage for a new start-up business – they should research what to include on the front page. The business could be selling the product idea generated from their earlier business plan.

Specification content

Digital communication

Learning objective

To understand how digital communication changes the way businesses communicate with stakeholders.

Additional guidance

Students are expected to know relevant examples of digital technology/communication.

Suggested timing

1 hour

Learning activities and resources

- Starter: [Stakeholder quiz \(BBC Bitesize\)](#) to recap understanding.
- Students to create a table with stakeholder column and the main methods of communication used by businesses for each group.
- Exercise: Exam question: Paper 2, 2020, Q3.5, 2 marks.

3.2.2 Ethical and environmental considerations

Specification content

Ethical considerations

Learning objective

To identify and analyse where there may be a possible trade-off between ethics and profit.

Additional guidance

Ethical behaviour requires businesses to act in ways that stakeholders consider to be both fair and honest.

Suggested timing

2 hours

Learning activities and resources

- Starter: Watch the [video on 'ethical considerations influence business activity' \(BBC Bitesize\)](#).
- Recap understanding of ethical objectives vs profit objectives from earlier topic.
- Teacher brings a range of clothes or food into class – students to identify where clothes/food are manufactured.
- Students to discuss why a business might set an ethical objective.
- Students to discuss why food miles are such a problem? Recap why businesses locate internationally.
- Students to debate other ethical considerations such as child labour, sale of animal fur, animal testing, cost of pharmaceutical products, unequal distribution of wealth etc.
- Watch the ['The Billion Dollar Chicken Shop \(KFC Documentary\)' \(YouTube\)](#) (2 hours minutes) – video resource on all ethical and businesses areas. The section that covers KFC giving away food to charity begins at 1 hour 31minutes 30 seconds.
- Corporate social responsibility in bottled water market – watch the [video on 'corporate social responsibility \(CSR\) - selling water' \(BBC Bitesize\)](#) (6 minutes).
- Watch the video ['Cost of Fast Fashion' \(YouTube\)](#) (6.50 minutes) – discuss whether we should buy from fast fashion businesses.
- Exercise: Exam question: Paper 2, 2022, Q1.2, 1 mark.

Specification content

Ethical considerations

Learning objective

To understand the benefits and drawbacks of ethical behaviour.

Additional guidance

Students are expected to know relevant examples of ways in which a business can behave ethically.

Suggested timing

1 hour

Learning activities and resources

- Watch the ['Blood, Sweat and T-shirts' videos \(YouTube\)](#) to open a discussion with students.
- What can businesses do to ensure that they are ethical in their approach? Explore the [Fairtrade website](#).
- Explore the [Co-op fairtrade webpage](#).
- Based on discussions and work from previous lessons, students to create a table for the main benefits and drawbacks of ethical behaviour.
- Read and watch ['Unpacking the Primark pledge to offer more sustainable style' \(Sustainability Magazine\)](#).

Specification content

Environmental considerations

Learning objective

To understand how businesses and consumers accept greater environmental responsibility in their decision-making and the costs and benefits of businesses behaving this way.

Additional guidance

Environmental considerations include impact on traffic congestion, recycling, disposing of waste and noise and air pollution.

Suggested timing

1 hour

Learning activities and resources

- Starter: Show images of [Oxford street](#) and [pollution in China](#) – what are the environmental impacts of these activities?
- Watch the [video on pollution in Linfen, China \(YouTube\)](#) (5.54 minutes).
- Teacher led notes on social costs – read '[Environmental considerations on business activity](#)' (BBC Bitesize).
- [Discuss the Anglo-American case study on social and environmental responsibility](#) (Business Case Studies).
- Watch the video '[IKEA Sustainability Report FY23 Highlights](#)' to show what IKEA do to be sustainable and environmentally friendly (YouTube) (1.12 minutes).
- Exercise: Exam questions:
 - Paper 2, 2019, Q3.2, 6 marks
 - Paper 2, 2020, Q1.8, 2 marks.

Specification content

Sustainability

Learning objective

To identify and analyse where there may be a possible trade-off between sustainability and profit.

Additional guidance

Sustainability issues include global warming and the use of scarce resources.

Suggested timing

1 hour

Learning activities and resources

- Discuss [Tata Steel case study on sustainability \(Business Case Studies\)](#).
- Read the [article on sustainable supply chains \(Guardian\)](#).
- Watch the [video on 'How green is the high street?' \(YouTube\)](#) (58.52 minutes).
- Students to research what is meant by sustainability and a business that has a focus/aim on sustainability.
- Watch the McDonald's video on [sustainability in their supply chain \(YouTube\)](#) (3.17 minutes).
- Students to complete a 9 mark style question summarising the topic – recommend whether a business should behave in an ethical, environmental and sustainable manner. Give reasons for your advice.
- Exercise: Exam questions:
 - Paper 1, 2020, Q2.1, 2 marks
 - Paper 1, 2021, Q3.4, 1 mark
 - Paper 2, 2022, Q3.6, 12 marks.

3.2.3 The economic climate on businesses

Specification content

Interest rates

Learning objective

- To demonstrate and understand how businesses might be affected by changes in the rate of interest.
- To understand how fluctuating interest rates can affect consumer and business spending.

Additional guidance

- An understanding of how fluctuating interest rates can affect businesses that rely on overdrafts and loans for finance.
- Economic theory relating to how/why interest rates change is not required.

Suggested timing

2 hours

Learning activities and resources

- Read '[External Environment: Interest Rates](#)' (Tutor2u).
- Teacher introduction on '[Changes in interest rates](#)' (BBC Bitesize).
- [Watch the video 'Why do interest rates matter to me?'](#) (YouTube) (1.06 minutes).
- Look at [overdraft and loan figures \(Monet Facts Compare\)](#)
- Show [graph showing changing interest rates \(Trading Economics\)](#).
- Look at [Barclays loan calculator](#) to illustrate impact of changing interest rates. How does this impact business spending?
- Exercise: Exam questions:
 - Paper 2, 2019, Q2.2, 6 marks
 - Paper 2, 2021, Q1.2, 1 mark
 - Paper 2, 2022, Q1.10, 2 marks.
- Look at average property prices or for a particular property [using the BBC property calculator](#) – explain how mortgages work.
- [Choose a mortgage](#) (Nationwide).
- Look at average incomes – calculate how much money would be left after the mortgage is paid – this is spending money (disposable income).
- Explain and illustrate the impact of increasing interest rates and thus mortgage payments.
- Students to list other reasons for consumers requiring loans or credit – cars, sofas, credit cards, home improvements etc.
- Good overview [video on how interest rates impact businesses and consumers \(YouTube\)](#) (23.27 minutes).

Specification content

Level of employment

Learning objective

To identify how and why businesses might be affected by changes in levels of employment.

Suggested timing

1 hour

Learning activities and resources

- Definition of unemployment.
- Look at an [unemployment graph \(Trading Economics\)](#) – students to explain what the graph shows and what this means for individuals and businesses.
- Read the article [‘How will the UK economy compare to other countries in 2024?’ \(BBC News\)](#), discuss how the UK compares on areas such as unemployment, interest rates etc (15 minute exercise).
- Exercise: Exam question: Paper 1, 2020, Q1.9, 2 marks.

Specification content

Consumer spending

Learning objective

To understand how demand for products and services may change as incomes fluctuate.

Suggested timing

1 hour

Learning activities and resources

- Look at images of Heinz baked beans and an own brand tin of baked beans – students to explain which they would choose and why.
- Read the [article on Aldi \(The Guardian\)](#) and discuss why Aldi has been so successful over the last few years.
- Watch the [‘Inside Claridges’ video \(YouTube\)](#) (56 minutes) – link to demand for luxury goods for high income earners.
- Look at the [range of cars Ford has](#) to illustrate the variety of products available depending on income earned.
- Read the article [‘Mr. Kipling owner Premier Foods planning further price cuts’ \(BBC News\)](#).
- Exercise: Exam question: Paper 2, 2022, Q1.10, 2 marks.

3.2.4 Globalisation

Specification content

How UK businesses compete internationally

Learning objective

- To understand what is meant by globalisation.
- To understand the methods UK businesses use to compete internationally.
- To analyse the benefits and drawbacks of globalisation for UK businesses.

Suggested timing

3 hours

Learning activities and resources

- Starter: [Students to guess what is sold in this shop/café – Coca-Cola celebrates Chinese New Year.](#)
- Teacher explanation of globalisation or [video explanation 'What is globalisation?' \(YouTube\)](#) (2.17 minutes).
- Watch the [video on globalisation \(BBC Bitesize\)](#) (2.51 minutes).
- Exercise: Exam question: Paper 2, 2020, Q3.2, 2 marks.
- Starter: Read the [article on winner of James Dyson award \(BBC News\)](#) – why is this product likely to be successful in a global market?
- Watch the [video on the failure of Tesco in America](#) (YouTube) (2.28 minutes) – or read the article [what were the possible reasons why Tesco wasn't successful abroad? \(BBC\).](#)
- Read about the [reasons for Jaguar Land Rover's success \(BBC News\).](#)
- Look at an [image of a Sunseeker yacht](#) – student discussion on the methods Sunseeker should adopt to compete successfully on an international stage – create a spider diagram.
- Watch the video ['Why Starbucks Failed in Australia' \(YouTube\)](#) (6.49 minutes).
- Students to create a poster or leaflet summarising what is meant by globalisation, examples of businesses that compete globally, and the benefits and drawbacks for UK businesses.

Specification content

Exchange rates

Learning objective

To understand the impact of exchange rates on the profit and sales of those businesses that import and/or export.

Additional guidance

Students will not be asked to calculate exchange rate conversions.

Suggested timing

1 hour

Learning activities and resources

- Starter: Students to list any currencies that they know countries use (eg dollar, pound, euro etc) – [list of currencies of the world](#) (Countries-of-the-World).
- Teacher definition of exchange rates – link to when students have gone abroad on holiday and have changed money or used different currencies.
- Watch the video [‘Who sets the exchange rate?’ \(YouTube\)](#) (51 seconds).
- Show [graph of the pound compared to the euro \(XE\)](#) – ask students if anyone knows what caused the fall in June 2016 (Brexit).
- Watch the [video explaining imports and exports \(YouTube\)](#) (2.13 minutes).
- Test understanding of [imports and exports using the quiz \(Study\)](#).
- Watch the [video ‘What does the United Kingdom export?’ \(YouTube\)](#) (2.09 minutes) – ask students to watch which areas of exporting have seen the most significant changes over the years.
- Teacher led explanation of SPICED – Strong Pound Imports Cheaper Exports Dearer.
- Pair work: Students to explain whether the current UK exchange rate is good for importers and exporters and the impact on their sales, costs and thus profits.
- Exercise: Exam question: Paper 2, 2020, Q3.6, 4 marks.

3.2.5 Legislation

Specification content

Employment law

Learning objective

- To assess the impact of employment legislation on businesses.
- To understand the consequences of failing to follow legislation for the business.

Additional guidance

- Impacts of legislation on the business include costs, training needs, recruitment requirements.
- Employment law including:
 - national minimum wage/living wage
 - the Equality Act (2010).

Suggested timing

1 hour

Learning activities and resources

- Reference and final test [on principles of employment law \(BBC Bitesize\)](#).
- Read '[External Environment: Business & Legislation](#)' (Tutor2u).
- Research task: Students to find out the minimum wage for each age group and the living wage.
- Read about [national minimum and living wage rates \(Gov.uk\)](#).
- Read article [on the cost of the national living wage to businesses \(BBC News\)](#).
- Watch [video on the Equality Act 2010 \(YouTube\)](#) (3.11 minutes).
- Watch the video on '[Equality, Diversity and inclusion at Kellogg's](#)' (YouTube) (2 minutes). Followed by reading the article on [Kellogg's meeting it's gender parity goal three years ahead of target](#) (Grocery Gazette) (summarised by teacher, 5 minutes).
- Teacher led explanation on the failure to follow legislation – Read/watch the [BBC article and video on dyslexia discrimination case](#) or the [BBC News article and video on cancer patients discrimination](#).
- Read the article '[Real living wage rises to £12 an hour as cost of living crisis continues](#)' (The Guardian).
- Discuss the impact of an increase of living wage on small and large sized businesses.
- Exercise: Exam questions:
 - Paper 1, 2019, Q3.6, 2 marks
 - Paper 1, 2021, Q1.12, 2 marks.

Specification content

- Health and safety law
- Consumer law

Learning objective

- To assess the impact of health and safety and consumer legislation on businesses.
- To understand the benefits of providing a safe working environment.

Additional guidance

- Impacts of legislation on the business include costs, training needs and recruitment requirements.
- Health and safety law including the Health and Safety at Work Act (1974).
- Consumer law including trade descriptions.

Suggested timing

1 hour

Learning activities and resources

- Starter: Watch [the health and safety video 'Lifting in the Workplace' \(YouTube\)](#) (1.28 minutes) – why do businesses worry about health and safety at work?
- Handout on the main consumer laws businesses have to abide by.
- Watch the [consumer rights video \(The Guardian\)](#) (5.28 minutes).
- Students create simple role plays to illustrate consumer laws being broken – the rest of the class has to guess which law has been broken.
- Students to create a spider diagram of the main impacts of health and safety and consumer laws on businesses.
- Exercise: Exam questions:
 - Paper 1, 2020, Q1.11, 2 marks
 - Paper 1, 2021, Q2.4, 2 marks
 - Paper 1, 2022, Q1.9, 2 marks.

3.2.6 Competitive environment

Specification content

Impact on businesses of operating in competitive markets

Learning objective

- To understand the meaning of a market and competition.
- To analyse potential impacts of competition on businesses and identify situations when businesses face minimal or no competition.

Suggested timing

1 hour

Learning activities and resources

- Starter: Show images of different marketplaces (any place where buyers and sellers meet) such as a market stall, an internet business, a high street etc – students to guess what the link is between the images.
- Visit the [BBC Bitesize webpage on market research](#).
- Pair work: Students list as many clothes shops (or another market) as they can think of – link this to the level of competition in the market.
- Importance of competition shown by [Coca-Cola vs Pepsi overview \(Investopedia\)](#).
- Watch the video '[Why Aldi is America's Fastest Growing Grocery Store \(Tutor2u\)](#)' (6.03 minutes).
- Student task to come up with a strategy to increase the sales of potatoes – consider actions like differentiating the product through making them into something, improving design, increased advertising, packaging etc.
- Based on student ideas create a spider diagram of actions businesses could take when faced with competition.
- Teacher led explanation on a monopoly situation – show the beginning of the '[What is a monopoly? video \(YouTube\)](#)' (2.19 minutes).
- Students to generate ideas of markets that are monopolies or have minimal competition. Read the [article on BT's increase in profitability of telecoms monopoly \(Telegraph\)](#).
- Exercise: Exam question: Paper 1, 2021, Q3.2, 4 marks.

Specification content

Uncertainty and risks businesses face

Learning objective

- To understand the risks businesses face and the reasons why all businesses face uncertainty.
- To understand the reason why entrepreneurs embark on running businesses and the activities businesses can undertake to minimise risks.

Suggested timing

1 hour

Learning activities and resources

- Starter: Watch the [video of TV show Golden Balls \(YouTube\)](#) (6.54 minutes) – illustrates that no one can predict what actions others will take.
- Watch [Dragons' Den – iTeddy \(BBC\)](#) – students to list the main risks that the business faces.
- Students to identify risks in terms of functional areas, eg finance – interest rates increase and so business loans become more expensive.
- Pair work: For each risk identified students to generate ideas of how to deal with the issue faced.
- Watch the video of ['Business Nightmares with Evans Davis' \(BBC\)](#) (6 minutes).
- Recap objectives of entrepreneurs and highlight success stories to help illustrate reasons entrepreneurs embark on running businesses – watch clips from the [documentary about Facebook \(YouTube\)](#) (45.17 minutes).
- Exercise: Exam questions:
 - Paper 1, 2020, Q3.2, 2 marks
 - Paper 2, 2020, Q1.9. 2 marks.

3.4 Human resources

- Teach before: 3.3 Business operations
- Teach after: 3.2 Influences on business

3.4.1 Organisational structures

Specification content

Organisational structures

Learning objective

- To understand internal organisational structures, span of control, chain of command, layering and delegation.
- To understand why businesses have internal organisational structures.

Additional guidance

Reasons for having internal organisational structures include an understanding of different job roles and responsibilities throughout the business.

Suggested timing

2 hours

Learning activities and resources

- Teacher led explanation of an organisational structure.
- Reference: [Webpage on structuring a business \(BBC Bitesize\)](#).
- Students to draw an organisational chart for the school – outline what responsibilities members of staff have.
- Provide a list of jobs roles for students – students to create a simple [organisational structure using notes \(Tutor2u\)](#).
- Using their organisational chart, students should explain and label what is meant by span of control, chain of command, layering and delegation.
- Read the article [‘Tesco: More than 2,000 jobs set to go due to store changes’ \(BBC News\)](#) to show an example of layering.
- Use examples of organisational charts to question what the span of control is and number of levels of hierarchy.
- Tesco employ 354,744 employees – why would Tesco need to have a clear organisational structure?
- Students to create a spider diagram of the main benefits of having an organisational structure.
- Exercise: Exam questions:
 - Paper 1, 2019, Q1.8, 2 marks, Q1.9, 2 marks
 - Paper 1, 2020, Q1.1, 1 mark, Q1.4, 1 mark, Q3.7, 12 marks
 - Paper 1, 2021, Q1.2, 1 mark, Q2.5, 6 marks
 - Paper 1, 2022, Q1.8, 2 marks, Q3.7, 12 marks.

Specification content

Appropriateness of organisational structures

Learning objective

- To understand the impact having a tall or flat organisational structure has on how a business is managed.
- To understand how an organisational structure may affect the different ways of communication.

Suggested timing

1 hour

Learning activities and resources

- Watch [DHL Undercover Boss part 2 \(YouTube\)](#) (13 minutes) with the couriers on the frontline. This clip illustrates situations whereby the business has expanded and the manager isn't aware of what happens with workers loading planes/doing deliveries. Link the clips to issues of having the incorrect organisational structure.
- Students to generate two strategies to resolve the problems identified in the video clip.
- Split students into pairs. One student draws a tall organisational structure and explains the benefits, the other student does the same for a flat organisational structure.
- Reference [webpage on types of organisations \(BBC Bitesize\)](#).
- Students to play Chinese whispers to illustrate the issues faced by the organisation from having a tall organisational structure.
- Teacher led explanation on how organisational structures impact communication. Students generate ideas for the best methods of communication for the different organisational structures.

Specification content

Centralisation and decentralisation

Learning objective

- To understand what is meant by centralisation and decentralisation.
- To understand the benefits and drawbacks of centralisation and decentralisation for business performance.

Suggested timing

1 hour

Learning activities and resources

- Starter: Read the article on [why B&Q struggled to succeed in China \(The Guardian\)](#) – link to differences in cultures etc.
- Watch the video '[Why Tesco Failed in The United States' \(YouTube\)](#) (10 minutes).
- Use the [case study of a growing business like Gail's \(World Coffee Portal\)](#) – what difficulties will the managers of Sprinkles face as they open more stores across the UK?
- Students to create a table including the definitions, benefits and drawbacks of centralisation and decentralisation.
- Reference webpage '[People Management: Centralisation' \(Tutor2u\)](#).
- Exercise: Exam question: Paper 1, 2020, Q3.6, 6 marks.

3.4.2 Recruitment and selection of employees

Specification content

The need for recruitment

Suggested timing

1 hour

Learning activities and resources

- Starter: Show [clip of an advert for The Apprentice \(YouTube\)](#) (30 seconds) – why does Alan Sugar want to recruit the best workers?
- Create steps of the recruitment process and get students to try and put them in order (15 minute exercise).
- Teacher led notes on the reasons businesses need to recruit staff, for example, fill a vacancy, expansion etc.
- Students to create a mind map of methods businesses use to recruit their employees – job centres, recruitment agencies, word of mouth, job adverts, direct and promotions.
- Teacher explanation of the difference between internal and external recruitment – students mark next to their previous list of which methods are internal recruitment and which are external.
- Watch the [Reed advert \(YouTube\)](#) (30 seconds) – why would a business use a recruitment agency? Link to a benefit of external recruitment.
- Group work: Split the class into groups focusing on the benefits of either internal or external recruitment. Each group to create a list of 2-3 benefits. Each group shares one benefit with another group.
- Exercise: Exam questions:
 - Paper 1, 2019, Q1.7, 2 marks
 - Paper 1, 2020, Q1.12, 4 marks.

Specification content

Methods of recruitment and selection of employees

Learning objective

- To outline the main stages in the recruitment and selection process.
- To analyse the benefits of having an effective recruitment and selection process for a business.

Additional guidance

- Main stages in the recruitment and selection process include an understanding of job analysis, job description, person specification, and selection methods.
- Benefits include high productivity, high quality output or customer service and staff retention.

Suggested timing

2 hours

Learning activities and resources

Lesson one on recruitment

- Watch [introduction to recruitment \(BBC Bitesize\)](#) (3.30 minutes).
- Teacher led explanation on job analysis.
- Teacher led definition of a job description – show [examples of job descriptions from Reed's job board](#).
- Students to create a job description for a role of their choice (eg football player, doctor, dentist etc).
- Teacher led definition of a person specification.
- Students to create a person specification for their chosen job.
- Students to brainstorm places jobs would be advertised.
- Students to create a job advert for their chosen job.

Lesson two on the selection process

- Students to simulate the recruitment process; students to apply for jobs such as working in a coffee shop, lifeguard, etc and then hold their own interviews and select a person for the job.
- Sections of ['The billion dollar chicken shop' video \(YouTube\)](#) (2.48 hours) are good example of the selection process used.
- Students to brainstorm methods businesses use to select individuals.
- Teacher explanation on shortlisting suitable candidates.
- Students are given two curriculum vitae (CVs) – students decide on which candidate they would choose and why.
- Interviews: Students come up with three interesting interview questions they would ask to shortlisted candidates – in pairs students interview each other. As part of this process students should be considering what the business would be looking for in this process.
- Look at [sample interview questions \(Monster\)](#).

- Watch the [video 'What's Great About Liverpool? The Job Interview' \(YouTube\)](#) (2.55 minutes) – students to explain which individuals they would select and why.
- Personality tests – teacher explanation of why businesses use psychometric tests. Students to complete [human relations test](#) (David P Brown).
- Watch the [video '40 Aptitude test questions' \(YouTube\)](#) (23.12 minutes)
- Students to brainstorm the benefits of having an effective recruitment and selection process. For each benefit students should write an extra sentence analysing why that benefit is good for the business, eg staff retention results in lower recruitment and training costs in the future.
- [Recap quiz on recruitment \(BBC Bitesize\)](#).
- Read the [recruitment and selection process at ASDA](#).
- Exercise: Exam questions:
 - Paper 1, 2019, Q1.1, 1 mark, Q2.7, 9 marks, Q1.10, 2 marks
 - Paper 1, 2020, Q1.5, 1 mark
 - Paper 1, 2021, Q1.5, 1 mark
 - Paper 1, 2022, Q1.12, 4 marks, Q3.7, 12 marks, Q1.10, 2 marks, Q3.3, 6 marks.

Specification content

Contracts of employment

Learning objective

- To understand the difference between part-time and full-time contracts, job share and zero hour contracts.
- To understand the benefits of full and part-time employment.

Suggested timing

1 hour

Learning activities and resources

- Teacher led explanation on the difference between part-time and full-time contracts, job share and zero-hour contracts.
- Students to list the main types of businesses that will employ part-time staff.
- Read ['Sports Direct to scrap zero-hours contracts for casual retail staff' \(ITV news\)](#) – What are the potential issues of zero hours contracts?
- Watch the video ['Zero Hour Contracts: Freedom or Exploitation?' \(YouTube\)](#) (13.34 minutes).
- Research task: Students to interview an owner of a business (local restaurant, shop etc) and find out whether they employ part-time staff. If they do, find out information on why they employ part-time staff, ie the benefits for the business. If they don't, find out information on why they employ only full-time staff, ie the benefits for the business.
- Group work: Using their research and interview information students should create a table for the benefits of full-time and part-time employment.
- Exercise: Exam questions:
 - Paper 1, 2019, Q1.12, 4 marks
 - Paper 1, 2021, Q1.3, 1 mark.

3.4.3 Motivating employees

Specification content

Importance of motivation in the workforce

Learning objective

To understand the benefits of a motivated workforce.

Additional guidance

Benefits of a motivated workforce include staff retention and high productivity.

Suggested timing

1 hour

Learning activities and resources

- Starter: Students list three things that motivate them.
- Teacher explanation on motivation.
- Watch the video [‘Sundar Pichai's BEST Motivational Speeches of all Time | Google CEO English Motivational Speech’](#) (YouTube) (10.19 minutes).
- Read study notes on [‘People Management: Introduction to Motivation’](#) (Tutor2u)
- Students to identify from the article [‘Financial methods of motivation’](#) (BBC Bitesize) why motivation is important.
- Students to list the main benefits of a motivated workforce.
- Exercise: Exam question: Paper 1, 2019, Q3.5, 2 marks.

Specification content

Methods to motivate staff

Learning objective

To understand the use of financial methods of motivation (including an understanding of the main methods of payment including salary, wage, commission and profit sharing).

Additional guidance

- Financial methods include an understanding of the main methods of payment including salary, wage, commission and profit sharing.
- Specific motivational theories (such as Maslow) will not be examined.

Suggested timing

2 hours

Learning activities and resources

- Starter: In pairs students should imagine they are the owner of Amazon. Students should list the methods they would use to motivate their workers.
- Students to list the main types of pay – to help students show a range of pictures of different types of businesses which are likely to use different payment methods, eg an office, an estate agent's, a factory, a restaurant etc.
- Teacher led explanation on the difference between wages and salaries.
- Using [F.W. Taylor's theory video](#) (YouTube) (4.48 minutes) briefly explain the idea behind it. Use the video to explain the importance of pay dependent on output. Link this to commission and how workers are increasingly paid depending on the number of sales rather than output. No specific understanding of Taylor will be expected or examined.
- Pair work: Why do businesses increasingly use profit sharing? To help understanding show ['Our Purpose - John Lewis Partnership' video](#) (YouTube) (1.36 minutes) and explore webpage about [profit sharing at John Lewis](#).
- Students should go back to their original list made at the start of the lesson and highlight which methods of motivation they wrote down are financial methods of motivation.
- Read the article ['Sainsbury's increases pay as supermarkets battle for staff'](#) (BBC News).
- Exercise: Exam questions:
 - Paper 1, 2019, Q3.7, 6 marks
 - Paper 1, 2020, Q2.7, 9 marks,
 - Paper 1, 2021, Q1.7, 2 marks
 - Paper 1, 2022, Q1.1, 1 mark.

Specification content

Methods to motivate staff

Learning objective

To understand the use of non-financial methods of motivation.

Additional guidance

- Non-financial methods of motivation include styles of management, importance of training, greater responsibility and fringe benefits.
- Specific motivational theories (such as Maslow) will not be examined.

Suggested timing

2 hours

Learning activities and resources

- Starter: Recap understanding – watch [‘Do Pay and Benefits Increase Motivation? - Your Practice Ain’t Perfect’ - Joe Mull](#) (YouTube) (4.31 minutes).
- Watch the video [‘Call centre boss motivates staff with sing-alongs’ \(BBC news\)](#) (3.57 minutes) – how does this business motivate their staff? Students should discuss whether they think this is a successful method of motivation.
- Show pictures of five leaders (some business and some non-business contexts). In pairs students to list the main characteristics they think these leaders possess.
- Split students into groups with a clear task to complete. Each group has a leader to help ensure the task is completed effectively. Some leaders are told to be autocratic and some democratic. At the end of the task students feedback their thoughts on working under the different management style.
- Show [images of Google offices](#) (office Snap Shots) – students should discuss why Google believe the office environment is important for their staff.
- Watch video [‘Inside Google’s Massive Headquarters’](#) (YouTube) (6.30 minutes) and then hold a discussion on how this might motivate employees.
- Teacher led explanation on fringe benefits. Students to list as many fringe benefits as they can.
- Pair work: Split class in two – students create an argument for either financial or non-financial methods of motivation being the most effective. Students then have a debate in groups or as a class.
- Exercise: Exam question: Paper 1, 2021, Q3.3, 6 marks.

3.4.4 Training

Specification content

Importance of training the workforce

Learning objective

To explain the benefits of training employees for a business.

Additional guidance

Benefits include increased productivity, ability to deal with changes in technology, increased motivation, staff retention, production of high quality goods and good customer service.

Suggested timing

1 hour

Learning activities and resources

- Watch '[How to Train & Develop Employees](#)' (YouTube) (6.24 minutes) about development with Sainsbury's.
- Explore the '[Importance of training the workforce](#)' (BBC Bitesize).
- Students list the main benefits that businesses gain from training workers. Watch [rugby](#) (YouTube) (1.13 minutes) or [American football](#) (YouTube) (6.12 minutes) video clips to show the skills gained through training.
- Exercise: Read the article '[M&S: Store sorry for displaying daffodils alongside veg](#)' (BBC News) to highlight the importance of staff training.
- Exercise: Exam question: Paper 1, 2020, Q3.7, 12 marks.

Specification content

Types of training undertaken by businesses

Learning objectives

- To understand the methods of training undertaken by businesses.
- To explain the benefits of induction training.
- To analyse the benefits and drawbacks of on the job and off the job training and evaluate which would be the most appropriate method for a variety of businesses.

Additional guidance

Methods of training include induction training, on the job training and off the job training.

Suggested timing

1 hour

Learning activities and resources

- Starter: Recap understanding – watch the '[Effective training](#)' video (BBC Bitesize) (3.30 minutes).
- Teacher explanation of induction training. Reference webpage on [methods of training staff \(Tutor2u\)](#).
- Students choose a business from a list of businesses provided, eg local cinema, Accident and Emergency doctor at the local hospital, teacher etc. They are required to produce an induction training programme for new employees.
- Teacher led explanation of on the job and off the job training.
- In groups students will be required to produce [origami snakes \(Instructions.com\)](#). Each group will have a leader who trains the rest of the group. One set of groups will be trained through 'off the job' and one through 'on the job'. One student in each group will be given an 'example' snake and will need to check products reach that standard. Every three minutes you will receive an order for 15 units, and can sell each snake for £3 if they pass the quality control test.
- After the task is complete students should identify and discuss the main benefits and drawbacks of each method of training.
- Students to complete a table including headings for type of training, definition, benefits, drawbacks and examples of when each method is used.
- Exercise: Exam questions:
 - Paper 1, 2019, Q2.5, 2 marks
 - Paper 1, 2020, Q1.6, 1 mark
 - Paper 1, 2022, Q1.2, 1 mark, Q2.5, 6 marks.

3.3 Business operations

- Teach before: 3.5 Marketing
- Teach after 3.4 Human resources

3.3.1 Production processes

Specification content

- Methods of production – job
- Methods of production – flow

Learning objectives

- To understand what is meant by job production.
- To understand what is meant by flow production.

Suggested timing

2 hours

Learning activities and resources

Lesson one

- Exercise: [Using a net to make die](#) (Maths on Toast), students are challenged to make as many dice as possible. First using batch method where each student in the group makes as many as they can. Then flow where each student is allocated a role within the team. See which generates the most die and discuss benefits and drawbacks.
- Practical activity to illustrate job and flow production – students produce bags of Smarties that have eight Smarties in each bag. The colour of Smarties they put in each bag will depend on your customer orders.
- Groups are given two minutes. Each group must take an order from three other pairs in the room. Each pair in the group gets one order each. Students need to find out what colour Smarties they would like in their bag and write down the orders on their record sheet and then produce the bags of Smarties as ordered.
- Flow production – in a group of four, students produce as many bags as possible in two minutes. Groups should organise their production process so each individual is in charge of each colour of Smartie and one student is in charge of bagging the Smarties.
- Teacher led explanation of job and flow production. Students discuss which they thought was a more effective production technique in each situation.

Lesson two

- Starter: watch video clips on flow production – [ice cream cones](#) (YouTube) (8.27 minutes) or [mince pies](#) (YouTube) (3.13 minutes) – students are to consider why businesses use flow production.
- Show a range of pictures of different products – students to identify which are produced through flow production and which are job production.

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- Watch a video of '[Seabrook Crisps- How crisps are made](#)' (YouTube) (2.05 minutes) – students to note down the production process.
- Watch a video clip from [Cake Boss](#) (YouTube) (2.16 minutes) – students consider why businesses use job production.
- Exercise: Exam questions:
 - Paper 1, 2019, Q3.8, 12 marks
 - Paper 1, 2020, Q1.10, 2 marks
 - Paper 1, 2021, Q1.9, 2 marks
 - Paper 1, 2022, Q3.6, 6 marks.

Learning objective

To understand when each method of production is appropriate.

Suggested timing

1 hour

Learning activities and resources

- Starter: Read about [production methods \(BBC Bitesize\)](#).
- These are two excellent video resources highlighting the use of flow production in the chocolate industry; [how Easter eggs are made \(BBC\) \(3 minutes\)](#) and [how chocolate is made \(YouTube\)](#) (3.30 minutes).
- Students to produce a table with headings for type of production, definition, benefits, drawbacks and types of products made.

Specification content

Efficiency in production – lean production

Learning objective

To understand how production might be made more efficient by the use of lean production techniques.

Suggested timing

1 hour

Learning activities and resources

- Starter: Fill in the gaps activity on methods of production.
- Show two pictures of products that are in a highly competitive market – for example Primark and Next. Explain that the prices they can charge are dependent on each other and so can't be changed. Ask students what Primark can do to increase the profit generated. Expected answers include marketing activities and reducing costs/waste in production. Explain that we are focusing on reducing waste and thus cost in production process.
- Watch the [introduction video to lean production \(YouTube\)](#) (6.29 minutes).
- Reference webpage on [lean production \(Tutor2u\)](#).
- Create a spider diagram for the main methods of lean production.
- Teacher led explanation of kaizen.
- Watch the video '[TMHE's Toyota Way: Kaizen \(YouTube\)](#) (2.03 minutes)' or '[Toyota Kaizen Clip \(YouTube\)](#) (4.33 minutes)
- Teacher led explanation of cell production. Use a simple key terms exercise to show the benefits of working as a team. One group of four students sit in a row and move a piece of paper along the row with each student writing a key term (without discussing it with their group) and then passing it on to the next individual. The second group sit together and create a list of key words together. Each group has 5–10 minutes to create a list of as many key terms as possible.
- Teacher led discussion on the benefits and drawbacks highlighted in the task.
- After the discussion students should create a table with the main benefits and drawbacks of cell production.
- As a revision task the lists of key terms can be swapped with other groups and students should define the key terms.
- Read about [Aldi's lean production case study \(LinkedIn\)](#).
- Exercise: Exam questions:
 - Paper 1, 2019, Q1.4, 1 mark
 - Paper 1, 2022, Q3.7, 12 marks.

Specification content

Efficiency in production – just in time (JIT)

Learning objective

To understand how production might be made more efficient by the use of just in time (JIT) technique.

Suggested timing

1 hour

Learning activities and resources

- Watch the [video on introducing JIT \(BBC Bitesize\)](#) (2.07 minutes).
- Read [case study on car manufacturers](#) (Financial times) – students to answer questions to help build an understanding of JIT.

3.3.2 The role of procurement

Specification content

Managing stock – just in time (JIT)

Learning objective

To evaluate the use of managing stock using JIT to a given business.

Additional guidance

- Students should recognise that the benefits of reduced costs must be balanced against the cost of more frequent deliveries and lost purchasing economies of scale.
- Students will not be asked to draw or interpret stock control charts.

Suggested timing

1 hour

Learning activities and resources

- In pairs students test each other to ensure they have an understanding of lean production and JIT.
- Watch the video [‘What is Just-in-Time \(JIT\) Inventory?’ \(YouTube\)](#) (2.06 minutes)
- Missing word activity revising economies of scale.
- A simple numerical example can be used to illustrate the additional costs of regular deliveries and the lack of economies of scale. This can be done by having a total output of 500 units per week. Include separate costs for holding stock for a week, cost of ordering 100 units at a time and cost of ordering 500 units. Students to calculate which option would be cheaper. Build in scenarios including a delayed delivery, a surge in demand etc to encourage students to understand the potential challenges faced.
- Read about Royal Mail’s [Christmas last delivery times](#) – what problem does this illustrate?
- Students to brainstorm benefits and drawbacks of JIT and create a table.
- Read about [stock control \(BBC Bitesize\)](#).
- Watch the [video on JIT with car seat covers \(YouTube\)](#) (1.29 minutes).

Specification content

Managing stock – just in case (JIC)

Learning objective

To evaluate the use of managing stock using JIC to a given business.

Additional guidance

- Students should recognise the benefits of having spare stock to satisfy demand balanced against the cost of holding buffer stock.
- Students will not be asked to draw or interpret stock control charts.

Suggested timing

1 hour

Learning activities and resources

- Read about [inventory management using JIC \(BBC Bitesize\)](#).
- Complete the [recap quiz on stock control \(BBC Bitesize\)](#).
- What does the [video 'Behind the scenes of an Amazon warehouse' \(YouTube\)](#) (4.51 minutes) suggest is the stock control system used by Amazon?
- In pairs students test each other to revise the benefits and drawbacks of just in case.
- Teacher led explanation on the difference between just in time and just in case production.
- Split students in pairs – each pair to produce a paragraph arguing for the use of just in time or just in case for their chosen business.
- Exercise: Exam questions:
 - Paper 1, 2019, Q2.4, 9 marks
 - Paper 1, 2022, Q1.3, 1 mark.

Specification content

Factors affecting choice of suppliers

Learning objectives

- To understand the factors affecting the choice of suppliers.
- To analyse the factors that affect the choice of supplier for a given business.

Additional guidance

Factors affecting choice of suppliers include price, quality and reliability.

Suggested timing

1 hour

Learning activities and resources

- Students brainstorm the main factors that would affect which supplier businesses choose.
- Show images of a variety of businesses, for example Poundland, Gucci, a pharmacy, Rolls-Royce, Primark etc – what are the main factors that would influence the choice of suppliers in each case?
- Use the 9-mark question format to create a question analysing and evaluating the main factor influencing the choice of supplier for a chosen business.
- Exercise: Exam question: Paper 1, 2019 Q3.4, 6 marks.

Specification content

The effects of procurement and logistics on a business

Learning objectives

- To understand what procurement and logistics are and their effect on a business.
- To understand that the benefits of reduced costs must be balanced against the quality of service.

Additional guidance

The effects of procurement and logistics on a business include efficiency and lower unit costs.

Suggested timing

2 hours

Learning activities and resources

- Teacher led explanation of [the difference between procurement and logistics](#) (Supply Chain Beyond).
- Students list the main procurement and logistics decisions they would need to make if they were running a small café – buying food, ensuring delivery of food, replacing broken plates etc.
- For each decision they should identify what actions the café could undertake to lower their unit costs.
- Watch the video '[Behind the scenes of the robots packing your shopping](#)' to help [understand different logistics in businesses \(YouTube\)](#) (6.19 minutes).
- Starter: Ask students to list five key terms from the production unit. Key terms are then swapped with a partner who defines them.
- Recap understanding of procurement and logistics from last lesson.
- Students swap the list of strategies they generated last lesson with their partner. The partner should consider the drawbacks/problems that might be encountered with each strategy. Drawbacks/potential issues should be written in a different coloured pen.

Specification content

The value of effective supply chain management

Learning objectives

- To understand what a supply chain is.
- To explain the benefits of managing an effective supply chain.

Additional guidance

The value of effective supply chain management includes working with suppliers to ensure that key processes are running efficiently and cost effectively. Getting goods and services for the best price and value means cutting any waste and unnecessary costs to create a streamlined process and fast production times.

Suggested timing

1 hour

Learning activities and resources

- Starter: Watch the [video about Coca-Cola's supply chain \(YouTube\)](#) (2.29 minutes).
- Teacher led explanation of a supply chain.
- Exercise: Students to then create their own examples of supply chains for a product.
- Discuss Fairtrade products and the supply chain for cocoa beans, bananas etc then watch [video on fair trade for suppliers of footballs \(YouTube\)](#) (8.04 minutes).
- Using knowledge gained in the production unit students to brainstorm the main benefits of managing an effective supply chain.
- Read the article on [supply and procurement - Opito purchasing \(SCRIBD\)](#).
- Analyse two benefits that McDonald's gain from effectively managing their supply chain (6 marks).
- Exercise: Exam questions: Paper 1, 2021, Q3.7, 6 marks.

3.3.3 The concept of quality

Specification content

Consequences of quality issues

Learning objectives

- To understand that customers have expectations of quality in terms of the production of goods and the provision of services.
- To understand how businesses identify quality problems and businesses measure quality.
- To understand the consequences of quality issues.

Suggested timing

2 hours

Learning activities and resources

- Starter: Students explain what they mean by the term quality.
- Exercise: Teacher to show a number of supermarket brands such as Tesco, Lidl, Waitrose, Aldi etc. Students then to discuss which they believe to have the strongest reputation for quality and why?
- Reference article on [consequences of quality issues \(BBC Bitesize\)](#).
- Watch the [Duracell advert](#) (YouTube) (34 seconds) – link to quality.
- Student discussion on why quality is important for businesses.
- Read the [example about Samsung Galaxy Note 7s \(Wired\)](#) – what could that mean for the business?
- Teacher led explanation on quality control.
- Watch the video '[Factory to Forecourt – Quality Assurance – Toyota \(YouTube\)](#)' (1.42 minutes).
- Students to list the main methods used to identify quality problems. Reference: Webpage '[Quality – Measurement \(Tutor2u\)](#)'.
- Exercise: Exam question Paper 1, 2020, Q1.7, 2 marks.
- Students to create a list for the main causes of quality problems, eg poorly motivated workers, no quality monitoring etc.
- Read the [example about Toyota's recall \(Sky News\)](#) – what could this mean for the business?
- Students to produce a spider diagram for the main consequences of quality issues.
- Watch the video clip from [Dragons' Den – egg cooker gone wrong \(YouTube\)](#) (12.55 minutes).

Specification content

Methods of maintaining consistent quality: Total quality management (TQM)

Learning objectives

- To understand the methods businesses, use to maintain consistent quality.
- To identify the advantages to a business of using TQM.

Suggested timing

2 hours

Learning activities and resources

- Watch the [video highlighting quality control in pizza production \(YouTube\)](#) (4.59 minutes).
- Research task on what is meant by TQM, quality control (recap from previous lesson) and quality assurance.
- Students are given a scenario/case study of a business who is suffering quality issues. They then create a PowerPoint explaining the various methods they believe the business should undertake to maintain consistent quality. These methods should be linked to examples that they have researched about methods other businesses have undertaken.
- From these presentations students to brainstorm the main benefits of a business undertaking TQM.
- Exercise: Exam questions:
 - Paper 1, 2019, Q2.2, 2 marks
 - Paper 1, 2022, Q1.5, 1 mark.

Specification content

Costs and benefits of maintaining quality

Learning objectives

- To understand the costs and benefits of maintaining quality.
- To understand the possible quality issues as businesses grow.

Additional guidance

- Costs and benefits include additional sales, image/reputation, higher price, inspection costs, staff training, product recalls and the provision of services.
- Be aware of issues particularly if outsourcing and franchising is used.

Suggested timing

1 hour

Learning activities and resources

- Starter: Read [notes on the consequences of quality issues \(BBC Bitesize\)](#).
- Students split into groups. Some groups focus on the benefits of maintaining quality, others focus on the costs of maintaining quality. Each group creates a list of the main benefits/costs of maintaining quality. A representative from each group explains one point that is on their list to the rest of the class.
- 4-mark question – explain two benefits of maintaining quality for a business-like Apple.
- Recap understanding of diseconomies of scale.
- Discuss issues of outsourcing call centres and production to other countries – read the [article on call centres \(BBC News\)](#).
- Students research an example of a business that has suffered quality issues as they have grown.
- Students to research products that have been recalled using the government website '[Product Recalls and Alerts](#)'. Students to then discuss the impact that this could have on a business.
- Use this [quiz \(BBC Bitesize\)](#) to assess students understanding.
- Exercise: Exam questions: Paper 1, 2019, Q3.1, 2 marks.

3.3.4 Good customer services

Specification content

Methods of good service

Learning objective

- To analyse the techniques businesses use to provide good customer service.
- To understand the sales process.

Additional guidance

Methods of good service include product knowledge, customer engagement (creating a positive experience for the customer), and post sales services (eg user training, help lines, servicing etc).

Suggested timing

2 hours

Learning activities and resources

- Exercise: Exam questions:
 - Paper 1, 2019, Q2.6, 6 marks
 - Paper 1, 2021, Q3.8, 12 marks.
- Students to discuss positive experiences they have had and to relate to each stage in the process.

Specification content

- Benefits of good customer service
- Dangers of poor customer service

Learning objective

- To understand the importance of providing good service to customers.
- To understand the dangers of poor customer service.

Additional guidance

- Benefits of good customer service include increase in customer satisfaction, customer loyalty, increased spend and profitability.
- Dangers of poor customer service include dissatisfied customers, poor reputation via word of mouth and a reduction in revenue.

Suggested timing

1 hour

Learning activities and resources

- Starter: Watch clip from [Undercover Boss – DHL part 1 \(YouTube\)](#) (10.30 minutes).
- Watch the video of [‘Mr. Bean – Bad Customer Service’ \(YouTube\)](#) (2.37 minutes).
- Watch the clip of [customer service in Love Actually \(YouTube\)](#) (3.27 minutes).
- Then hold discussion about the two experiences.
- Students to discuss their own customer service experiences, both positive and negative, and then share with the class.
- Students to consider the issues identified in the quality of customer service and generate ideas on how the process could be improved.
- Read [‘Customer service role play examples’ \(gaebler.com\)](#) – students to complete a role play about what would happen in each scenario and then discuss how the business could deal with the situation effectively.
- Watch clips from [The Apprentice – Series 12 Episode 8 \(YouTube\)](#) (1.06 hours) – lots of examples of poor customer service (eg incorrect orders, promising a service not provided etc). Students to discuss the examples of poor customer service and explain how these areas could be improved.
- Reference webpage on [customer service \(BBC Bitesize\)](#).
- Teacher led explanation of the sales process.
- Students research 1-2 businesses that offer after sales service. Students to research how they compare in terms of level of service and what they offer. Students to explain why they offer these services. Use [Dyson as an example \(Dyson\)](#).

3.5 Marketing

- Teach before: 3.6 Finance
- Teach after: 3.3 Business operations

3.5.1 Identifying and understanding customers

Specification content

The importance of identifying and satisfying customer needs

Learning objectives

To understand the importance of identifying and satisfying customer needs.

Suggested timing

1 hour

Learning activities and resources

- Recap what customer needs and wants are, look at a range of products and question what customer needs are for these products, eg porridge in a pot = convenience.
- Starter: Watch the video clip about Cadbury from [Evan Davis 'Business Nightmares' \(YouTube\)](#) (14.57 minutes) – students to identify why Cadbury suffered due to their decision over raising money for sports equipment – Cadbury didn't understand their market and customer needs.
- Discuss why Nokia made the [N-Gage phone \(Stuff TV\)](#). Was this a good decision?
- Compare the Nokia situation with the launch of the Apple iPhone in 2007. Why was Apple more successful?
- Students to brainstorm reasons for identifying and satisfying customer needs.
- Exercise: Exam questions: Paper 2, 2021, Q1.9, 2 marks.

3.5.2 Segmentation

Specification content

Types of segmentation

Learning objectives

- To understand the methods and criteria businesses use to segment the market.
- To understand why businesses use segmentation to target customers.

Additional guidance

Segmentation to target customers, include gender, age, location and income.

Suggested timing

2 hours

Learning activities and resources

- Starter: In pairs students write down five magazines that are available. For each, students write down the market segment that it is aimed towards.
- Read the BBC article [‘The drink Brits go to bed with and Indians wake up with’](#) (BBC News) to highlight segmentation in different locations.
- Read about [market segmentation \(Tutor2u\)](#).
- Teacher led discussion on criteria that could be used to segment the class, eg location, age, parent’s occupation etc.
- Students to create a list of the main criteria businesses can use to segment a market.
- Watch the [video on online businesses \(BBC Bitesize\)](#).
- Starter: Show a variety of products – students decide which customers they are targeted towards – for example nappies, SAGA holidays, Nintendo DS, Ford Ka, local pizza delivery restaurant, Good Housekeeping magazine, Mercedes car etc. Students should consider the age, gender, location and income.
- Students to think of a product that could be targeted to all customers rather than a specific market.
- Watch the [video clip of segmentation in McDonald’s \(YouTube\) \(4.28 minutes\)](#). Why do McDonald’s use segmentation to target customers?
- Exercise: Exam questions:
 - Paper 2, 2019, Q1.8, 2 marks
 - Paper 2, 2021, Q2.6, 6 marks.

3.5.3 The purpose and methods of market research

Specification content

Purpose of market research

Learning objectives

- To understand why businesses conduct market research.
- To understand the types of information collected in market research.

Additional guidance

- Reasons for conducting market research include to identify market opportunities and to get a better insight into their customers and competitors.
- Market research collects information about demand, competition and the target market.

Suggested timing

1 hour

Learning activities and resources

- Starter: Watch the [video on market research \(BBC Bitesize\) \(3.11 minutes\)](#).
- Teacher led explanation and definition of market research.
- Students to imagine they are the leader of Nintendo – what five pieces of information would you want to find out to help your decision making. Students should explain why they have chosen this information.
- Reference [webpage on market research \(BBC Bitesize\)](#).
- Reference [webpage on market research \(Tutor2u\)](#).
- Students to discuss the benefits gained by businesses through conducting market research – discussion based on knowledge gained in previous lessons.

Specification content

Methods of market research

Learning objective

- To understand the meaning of primary market research and the methods used to collect primary data.
- To understand the meaning of secondary market research and the methods used to collect secondary data.
- To understand the difference between qualitative and quantitative market research.

Additional guidance

- Methods include questionnaires, surveys, interviews and focus groups.
- Methods include internet research and the printed press, eg newspapers.

Suggested timing

2 hours

Learning activities and resources

- Teacher led definition of primary research.
- Students brainstorm the methods businesses could use to collect primary data.
- Begin a marketing task in creating a new non-alcoholic drink or chocolate bar. Students should create a questionnaire to help make product decisions, eg research what ingredients customers would want in their chocolate bar.
- Students should then circulate around the classroom collecting information for their questionnaires.
- Exercise: Exam questions: Paper 2, 2022, Q1.9, 2 marks.
- Teacher led definition of secondary research.
- Students to brainstorm the methods businesses could use to collect secondary data.
- Students continue the marketing task creating a new non-alcoholic drink or chocolate bar. Students should complete secondary research to help make product decisions, eg what types of chocolate bars are currently available, how much do they sell for etc.
- Teacher led explanation of market mapping.
- Using the information generated from the secondary research students should create a market map for the chocolate/drinks market.
- Teacher led explanation of qualitative and quantitative research. Reference [webpage on quantitative and qualitative research \(Tutor2u\)](#).
- Using the questionnaire created in the earlier lesson, students to identify which of their questions helped collect qualitative data and which collected quantitative data.
- [Quiz testing knowledge – quantitative or qualitative? \(Study\)](#).
- Task students with finding research about a particular industry, eg confectionary industry. Students could find the market size, value, increased growth or decline in the market, most consumed confectionary etc.

- Exercise: Exam questions:
 - Paper 2, 2019, Q1.5, 1 mark, [Q2.6, 4 marks](#)
 - Paper 2, 2020, Q2.4, 9 marks
 - Paper 2, 2021, Q3.3, 6 marks
 - Paper 2, 2022, Q1.3, 1 mark.

Learning objectives

- To understand the benefits and drawbacks for various market research techniques.
- To evaluate the best method for a given business.

Suggested timing

1 hour

Learning activities and resources

- Starter: [BBC Bitesize recap quiz on market research](#).
- Using the experiences identified in previous lessons (when students have collected primary and secondary research), ask students to create a table for the main benefits and drawbacks of each option.
- 9 mark question evaluating the most effective form of market research when researching the chocolate market to help create a new product.
- Discuss market research case study – [Kellogg's Crunchy Nut \(SBSE Learning\)](#).

Specification content

Use of market research: Information that may help decision making

Learning objective

- To be able to interpret and use qualitative and quantitative market research findings to help make appropriate decisions for different types of business.
- To understand the difference between market size and market share.

Additional guidance

Students should be expected to manipulate and interpret data from tables and charts.

Suggested timing

2 hours

Learning activities and resources

- Students to write an explanation of what they have found from the market research they have collected in previous lessons.
- Students given the opportunity to interpret qualitative and quantitative market research findings.
- Exercise: Exam question: Paper 2, 2022, Q1.3, 1 mark.
- Teacher explanation of market share and market size.
- Students to create a table including headings for market, market leader, market share, sales of the market leader and market size. Students decide on figures for different markets including crisps, chocolate bars, ice cream, cat food, coffee etc.
- Teacher discussion/explanation on correct answers and why businesses benefit from understanding the information.
- Students given the opportunity to interpret market share and market size data and graphs.
- Use market share and size data to explain and test percentage calculations and percentage change calculations.
- Students to create a report on an industry to demonstrate market size and share and change over time to then present back to other students.
- Watch the [revision video on calculations \(Tutor2u\)](#) (7.50 minutes).

3.5.4 The elements of the marketing mix: price, product, promotion and place (4Ps)

Specification content

Pricing methods

Learning objective

- To understand price skimming and price penetration.
- To understand the impact these pricing decisions will have on the business.
- To understand competitive pricing, loss leader and cost-plus pricing.
- To understand the impact these pricing decisions will have on the business.

Additional guidance

Students should have an understanding of the main features of pricing methods and the impact they will have on a business.

Suggested timing

2 hours

Learning activities and resources

- Reference [webpage on pricing new products \(BBC Bitesize\)](#).
- Look at four products – mobile phone, petrol, bread and designer clothes – students to brainstorm the factors that would impact the level of price charged for each product, eg quality, brand, age of product, features, tax level etc.
- Teacher led explanation of price skimming and price penetration.
- Students to think of examples of products that use these pricing strategies.
- Teacher led discussion on the impacts these pricing decisions will have on the business.
- Students to complete an analysis question on pricing strategies, for example – explain two benefits for PlayStation of using price skimming when launching their latest console.
- Teacher led explanation of competitive pricing, loss leader and cost-plus pricing.
- Students to think of examples of products that use these pricing strategies.
- Teacher led discussion on the impacts these pricing decisions will have on the business.
- Exercise: Exam questions:
 - Paper 2, 2019, Q1.2, 1 mark
 - Paper 2, 2020, Q1.3, 1 mark
 - Paper 2, 2021, Q3.4, 6 marks
 - Paper 2, 2022, Q3.6, 12 marks.
- [Quiz on pricing strategies \(BBC Bitesize\)](#).

Specification content

The factors that influence pricing decisions

Learning objectives

- To recognise the factors, internal and external, which might influence the pricing decision, particularly as businesses grow and expand.
- To evaluate the factors and use them to assess the suitability of pricing methods for a given business.

Additional guidance

Factors that influence pricing decisions include costs, nature of the market, degree of competition and the product life cycle.

Suggested timing

1 hour

Learning activities and resources

- Use [fairtrade resources on the pricing of bananas \(Fairtrade\)](#) to consider the factors that influence the price of bananas. Resources include research tasks, videos etc.
- Research: Using the internet, students should research the price of a product in three different stores and explain why there are differences.
- Add additional factors that influence pricing decisions to the original list made in the first pricing lesson.
- Exercise: Exam question: Paper 2, 2022, Q3.2, 4 marks.
- [Recap quiz on pricing \(BBC Bitesize\)](#).

Learning objective

To understand the basic relationship between price and demand.

Additional guidance

Students should understand that as prices rise demand is likely to fall.

Suggested timing

1 hour

Learning activities and resources

- Starter: [Read the article - Albion Rovers introduce 'pay what you can' season ticket \(BBC Sport\)](#).
- Why would businesses offer this type of scheme?
- Students to create a table for the number of times they would watch their favourite football team or go to the cinema over a year (with a max of 30 times) at a range of different prices.
- Students plot the data they have collected onto a diagram with price and quantity on the two axes.

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- Students explain the link between price and quantity demanded.
- In pairs students generate ideas of factors that might cause an increase in demand other than price.
- Teacher led discussion about why a business does not therefore always charge a very low price.

Specification content

Product

Learning objective

- To understand the benefits and risks of developing new products.
- To understand the importance of product design, image and the needs of the target market when designing new products.

Suggested timing

3 hours

Learning activities and resources

- Why would it be beneficial for a business to produce the first commercial driverless car? Read the [article or watch the video on driverless cars\(BBC News\)](#) (video 2.59 minutes).
- Read [Dragons' Den article 'The Wand Company'](#) (BBC) – what are the benefits and risks for these entrepreneurs of developing this new product?
- Watch the video [‘Crisis management in business’ by Evan Davis on Apple \(BBC\)](#) (6 minutes) then discuss issues of creating a new product.
- Watch the video [‘How the Biro ballpoint pen became a million dollar idea’ \(BBC News\)](#) (1.33 minutes).
- Give student a selection of day to day items and ask them to find an innovative new use for the product or an innovative way of altering the product to attract new and former customer.
- Exercise: Exam questions:
 - Paper 2, 2019, Q3.3, 6 marks
 - Paper 2, 2020, Q3.4, 6 marks
 - Paper 2, 2022, Q3.1, 2 marks.
- Watch the video [‘Creating a brand image’ by Evan Davis on Sunny Delight \(BBC\)](#) (7 minutes) – issues of product design.
- Students brainstorm the main factors to consider when designing new products.
- Using the market research collected already to design the non-alcoholic drink or chocolate bar. Consider the main factors listed in your brainstorm when designing the new product.
- Starter: Show students an image of two mobile phones (a new model and an older model) – students to list the differences in the two products. For example, aesthetics, battery life, features, screen size etc.
- Teacher led explanation of product differentiation and unique selling points.
- Students explain what the unique selling point is for three products, eg Polo mints, Terry’s chocolate orange etc.
- Watch clips from [Junior Apprentice episode 3 \(YouTube\)](#) (10 minutes) – what do the teams do to differentiate their product from the competition?
- [Guess the logo activity \(Tes\)](#).
- Students to write down what they think are the [five most valuable global brands \(Forbes\)](#).
- 4 mark question explaining the benefit for Coca-Cola of having a strong brand.
- Students to continue their non-alcoholic drink or chocolate bar project by creating a brand for their product.

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- Watch the [video 'Coca-Cola Vs. Pepsi: Cola Wars' \(Daily Motion\)](#) (45 minutes) showing the challenges of the two brands going to head to head to compete for market share.

Specification content

The product life cycle

Learning objective

- To understand the product life cycle.
- To be able to demonstrate how the demand for a product or service might change over time.
- To understand what is meant by an extension strategy.
- To evaluate the effectiveness of extension strategies and when they would be suitable.

Additional guidance

- The stages of the product life cycle should include research and development, introduction, growth, maturity and decline.
- Extension strategies include updating packaging, adding more or different features, changing target market, advertising and price reduction.

Suggested timing

1 hour

Learning activities and resources

- Starter: Show products that were once successful – Nokia 3310, loom bands, Sega Megadrive, minidisc player etc. Students should discuss why these products no longer exist.
- Teacher led explanation of the product life cycle.
- Reference webpage [‘Marketing: Product Life Cycle’ \(Tutor2u\)](#).
- Reference webpage [‘Phases of the product life cycle’ \(BBC Bitesize\)](#).
- Students should draw the product life cycle and explain each stage.
- In pairs they should label their diagram with an example for each stage.
- Show images of a variety of products or music bands – students have to decide which stage of the product life cycle they are currently at.
- Show a product that is entering the decline stage of the product life cycle – in groups students generate three strategies they could adopt to try and increase the level of sales. Each group should present one strategy to the class and justify why they think their strategy is the best one.
- From the student ideas create a list of extension strategies.
- Students should think of business examples for each extension strategy.
- Read the article [‘Caramac and Animal Bar to be discontinued after more than 60 years’ \(Sky News\)](#).
- Exercise: Exam questions:
 - Paper 2, 2019, Q1.10, 2 marks
 - Paper 2, 2020, Q1.12, 4 marks
 - Paper 2, 2021, Q3.1, 2 marks
 - Paper 2, 2022, Q1.6, 1 mark.

Specification content

Product portfolio

Learning objective

- To understand how and why businesses might broaden and balance their product portfolio using the Boston Matrix.
- To be able to identify and explain the four categories of the Boston Box.

Suggested timing

1 hour

Learning activities and resources

- Starter: Students to list as many brands/products that are made by Nestle or the cars that are produced by Ford.
- Reference webpage '[Product differentiation](#)' ([BBC Bitesize](#)).
- Teacher led explanation of product portfolio.
- Recap with students what is meant by market share.
- Students to discuss why businesses such as Ford and Nestlé have large product portfolios.
- Teacher led explanation on the Boston Matrix. Students should draw the Boston Matrix and explain the characteristics of each section.
- Students to then add their own examples to their model.
- Further reference: [Boston Matrix \(Tutor2u\)](#).
- Using Amazon as a business, students position the main Amazon products onto the relevant sections of the Boston Matrix.
- Exercise: Exam questions:
 - Paper 2, 2020, Q1.4, 1 mark
 - Paper 2, 2021, Q1.12, 4 marks
 - Paper 2, 2022, Q2.6, 9 marks.

Specification content

Promotional methods

Learning objectives

- To understand what is meant by promotion.
- To understand the reasons for promotion.
- To understand the use of advertising by a given business.
- To understand the benefits and drawbacks of advertising.

Additional guidance

- Reasons for promotion include inform/remind customers about the product, create or increase sales, create or change the image of the product and to persuade customers to buy the product.
- Methods of advertising include newspapers, magazines, television, internet and billboards.

Suggested timing

2 hours

Learning activities and resources

- Starter: [Recap quiz on product \(BBC Bitesize\)](#).
- Teacher led definition of promotion.
- Students to brainstorm reasons for promotion.
- Watch the [John Lewis Christmas advert \(YouTube\)](#) (2.06) – students to discuss why they think John Lewis has been so successful with their adverts.
- Students to discuss their favourite/most memorable form of promotion – famous TV advert, radio advert, poster etc.
- Starter: Give students a choice of four products/brands (eg Nike, McDonalds, Pepsi, Apple etc). In pairs students should choose one and list the methods used to promote the business.
- Groups feedback their promotional methods to the class to generate a long list of methods of promotion – explain which ones they are focusing on in this lesson.
- Watch the [Skoda Fabia TV advert \(YouTube\)](#) (1 minute) – why have Skoda chosen to advertise their car like this? What are they trying to encourage viewers to think?
- Watch the [Skoda Fabia VRS TV advert \(YouTube\)](#) (1.01 minutes) – what different impression are they trying to put across in this advert?
- Students to list the main methods of advertising.
- Students should listen to these radio adverts and discuss why were successful:
 - [Pizza Hut \(YouTube\)](#) (28 seconds)
 - [Coke \(YouTube\)](#) (30 seconds).
- Students discuss why these billboards were successful:
 - [KitKat](#) (AdWeek)
 - [Miele](#) Toxel).
- Give students a range of newspapers and magazines – students to identify what they think is the best/most eye catching advert and write an explanation of why they think this.
- Watch the [video on advertising \(BBC Bitesize\)](#) (3 minutes).

- Students to create a table for the main benefits and drawbacks of advertising.
- Continue their marketing project – students to create a poster advertising their new chocolate bar or non-alcoholic drink.
- Continue their marketing project – students to create a radio advert advertising their new chocolate bar or non-alcoholic drink.
- Exercise: Exam questions:
 - Paper 2, 2021, Q2.7, 9 marks
 - Paper 2, 2022, Q1.8, 2 marks
 - Paper 2, 2019, Q1.7, 2 marks
 - Paper 2, 2021, Q1.1, 1 mark

Learning objectives

- To understand the use of other promotional methods which are likely to be used by a given business.
- To understand the benefits and drawbacks of promotional methods used by businesses.
- To understand the factors influencing the selection of the promotion mix to assess their suitability for a given business.
- To analyse the factors influencing the selection of the promotion mix to assess their suitability for a given business.

Additional guidance

- Other promotional methods include public relations (PR), sales promotion (point of sales, displays, two for one offers, free gifts, samples, coupons and competitions etc), sponsorship and social media.
- Factors that influence the selection of the promotional mix include the finance available, competitor actions, the nature of the product or service, the nature of the market and the target market.

Suggested timing

2 hours

Learning activities and resources

- Watch the [video on advertising products at a market stall \(BBC Bitesize\)](#) (6.41 minutes).
- Using previous activities students to create a list of the remaining methods of promotion.
- Watch students' examples of sales promotions, eg McDonald's Monopoly game. Students discuss why businesses undertake sales promotions.
- Watch the [video on sales promotions used on cereals \(BBC Bitesize\)](#) (5.42 minutes).
- Reference: [Webpage on sales promotion \(Tutor2u\)](#).
- Students to research what businesses sponsored the last Olympic games or World Cup. Students should then discuss why businesses spend money sponsoring events.
- Students to create a table for the main benefits and drawbacks of these methods of promotion.
- Students to brainstorm the main factors that influence the selection of the promotional mix.

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- Split students into groups. Each group is given a famous business or product. Students to create a promotional campaign for their business/product.

Or

- Continue their marketing project – students should create a promotional campaign for their chocolate product or non-alcoholic drink.
- Students justify why they have chosen to use the methods of promotion that they have for their product.
- Exercise: Exam question: Paper 2, 2021, Q1.8, 2 marks.

Specification content

Place (the different channels of distribution used by businesses) e-commerce and m-commerce

Learning objective

- To understand the different channels of distribution used by businesses to gain access to potential customers.
- To analyse the appropriateness of each distribution method for a given scenario.
- To analyse the growing importance of e-commerce and m-commerce and how it can extend the reach of businesses to include international markets.
- To understand the benefits and drawbacks of a business using e-commerce and m-commerce.

Additional guidance

Includes an understanding of retailers, wholesalers and telesales.

Suggested timing

2 hours

Learning activities and resources

- Starter: Ask students to generate ideas about where Apple products can be purchased from.
- Watch the [video on 'Market Planning – Place' \(YouTube\)](#) (3.04 minutes).
- Explain the definition of retailers, wholesalers and telesales.
- Students to draw a diagram illustrating the main channels of distribution.
- Students to discuss why the direct channel of distribution is increasingly the most popular.
- Ask the following questions to promote discussion:
 - What has happened to the UK high street stores?
 - Which businesses have recently closed their store and why do you think it is?
 - Why do some businesses only remain on the high street?
- Reference [webpage on place \(BBC Bitesize\)](#).
- Quiz: [The elements of the marketing mix: price](#).
- Give students a range of products; for each one, students have to explain which channel of distribution is the best option.
- Exercise: Exam question:
 - Paper 2, 2020, Q1.1, 1 mark
 - Paper 2, 2020, Q3.8, 12 marks
 - Paper 2, 2021, Q1.7, 2 marks
 - Paper 2, 2022, Q3.5, 6 marks.
- Starter: Ask students whether they have ever bought anything on the internet. Ask students whether they have ever bought anything through their mobile phone. Students should discuss why they use these technologies.
- Watch the [video introducing e-commerce and m-commerce \(YouTube\)](#) (3.32 minutes).
- Teacher led definitions of e-commerce and m-commerce.
- Watch the [video clip of the impacts of e-commerce on society \(YouTube\)](#) (2.42 minutes).

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- Teacher led explanation of the opportunities e-commerce and m-commerce have in reaching international markets. Watch [‘Learn about Alibaba.com’](#) (1.49 minutes) to illustrate.
- Students to create a table listing the main benefits and drawbacks of a business using e-commerce and m-commerce.
- Watch the video on [‘Why Primark Is Thriving While Retailers Like Forever 21 Are Closing | WSJ The Economics Of \(YouTube\)’](#) (7.13 minutes)
- Exercise: Exam questions:
 - Paper 2, 2019, Q1.1, 1 mark, Q2.7, 9 marks
 - Paper 1, 2022, Q2.6, 9 marks.

Specification content

- Integrated nature of the marketing mix
- Using the marketing mix to inform and implement business decisions

Learning objective

- To understand the importance of the four elements and how they work together.
- To be able to recommend appropriate marketing activities for a given business.
- To recognise how the marketing mix evolves over time and evaluate how businesses may react to this.

Suggested timing

1 hour

Learning activities and resources

- Discuss the marketing mix case study – [McCain \(MBA SKOOL\)](#).
- Show examples of products/promotional materials from the past and discuss how they are different to that of today:
 - Watch [old mobile phone advert \(YouTube\)](#) (30 seconds) vs [iPhone 15 advert \(YouTube\)](#) (0.46 minutes).
 - Watch [old computer advert \(YouTube\)](#) (30 seconds) vs [HP Spectre advert \(YouTube\)](#) (1.33 minutes).
- Watch the [Coca-Cola Christmas advert](#) (Marketing Beat) (30 seconds) – why do they still use this advert in 2023?

3.6 Finance

- Teach before: Revision
- Teach after: 3.5 Marketing

3.6.1 Sources of finance

Specification content

Methods businesses use to raise finance

Learning objectives

- To understand the main internal and external sources of finance available.
- To be able to analyse the advantages and disadvantages of each method for a given situation.

Additional guidance

Sources of finance available include family and friends, retained profit, a new share issue, obtaining a loan or mortgage, selling unwanted assets, overdrafts, trade credit, hire purchase and government grants.

Suggested timing

2 hours

Learning activities and resources

- Starter: Students to brainstorm the reasons why businesses need to raise finance.
- Watch the [Dragons' Den video \(YouTube\)](#) (14.30 minutes) – students discuss why entrepreneurs choose to go on the programme.
- Reference: [Webpage on other external sources of finance \(Tutor2u\)](#).
- Watch the [video on sources of finance \(BBC Bitesize\)](#) (3.30 minutes).
- Students to complete research on the main sources of finance available to new, growing or established businesses, eg [NatWest](#) and [AFC Bournemouth \(BBC Sport\)](#).
- Students to create a table with headings including sources of finance, internal or external source of finance, appropriate for what size of business, advantages and disadvantages.
- Students to create a leaflet for the [Prince's trust](#) to guide businesses on what finance is available and which would be the most appropriate source of finance for their business.

Specification content

Appropriateness of sources of finance

Learning objectives

To be able to evaluate the suitability of sources of finance for new and established businesses.

Suggested timing

1 hour

Learning activities and resources

- Starter: [Sources of finance quiz \(BBC Bitesize\)](#).
- Give students a range of scenarios, eg purchasing more stock, purchasing a new factory etc. Students should then explain which source of finance is most appropriate in each case.
- Students to also explain which source of finance is most appropriate based on the type of ownership and being a new or established business.
- Exercise: Complete exam questions:
 - Paper 2, 2020, Q3.18, 12 marks
 - Paper 2, 2021, Q2.2, 4 marks, Q3.6, 12 marks
 - Paper 2, 2022, Q2.3, 9 marks.

3.6.2 Cash flow

Specification content

- Importance of cash to businesses
- Difference between cash and profit

Learning objectives

- To understand the consequences of cash flow problems and the effect of positive cash flow.
- To understand the difference between cash and profit.

Suggested timing

1 hour

Learning activities and resources

- Starter: Show an [image on cash flow \(BBC Bitesize\)](#) – students should try to explain what is going on to their partner.
- Teacher led definition of cash flow.
- Students to explain why an ice cream shop may have cash flow problems during the year. Students to explain the impacts on the ice cream shop of cash flow problems.
- Students to research what went wrong with Woolworths.
- Students to brainstorm the effects/benefits of having a positive cash flow position.
- Watch the [video illustrating cash flow problems \(YouTube\)](#) (2.54 minutes).
- Reference [Webpage on cash flow \(Tutor2u\)](#).
- Students to list all the items that can be classified as cash in and all the items that can be classified as cash out.
- Students to recap calculations for profit.
- Students to identify the differences between cash flow and profit.

Specification content

Interpreting cash flow forecasts

Learning objectives

- To understand how and why cash flow forecasts are constructed.
- To be able to complete and interpret sections of a cash flow forecast.
- To be able to evaluate possible solutions to cash flow problems.

Additional guidance

- This includes an understanding of cash inflows and outflows, net cash flow and the opening and closing balance.
- Students are not expected to be able to construct an entire cash flow forecast.
- Solutions to cash flow problems, including re-scheduling payments, overdrafts, reducing cash outflow, increasing cash inflow and finding new sources of finance.

Suggested timing

2 hours

Learning activities and resources

- Starter: [Recap quiz – cash and cash flow \(BBC Bitesize\)](#).
- Teacher definition of a cash flow forecast.
- Recap understanding from last lesson – students to make a list of reasons why cash flow forecasts are constructed.
- Show a [cash flow forecast \(Tutor2U\)](#) – students should explain to their partner how the different sections are calculated.
- Students should complete a variety of cash flow forecasts and comment on the cash flow position of the business.
- Watch a cash flow forecast for a hotel or other seasonal business suffering from cash flow problems during some months – students should identify where the problem times occur and explain why this is likely to happen.
- Students to create a spider diagram for solutions that can be used to resolve these cash flow issues.
- Reference [webpage on dealing with a cash flow problem \(Tutor2u\)](#).
- [Recap quiz on cash flow \(BBC Bitesize\)](#).
- Exercise: Exam questions:
 - Paper 2, 2021, Q2.3, 3 marks
 - Paper 2, 2022, Q1.4, 1 mark, Q1.11, 2 marks.

3.6.3 Financial terms and calculations

Specification content

- Basic financial terms
- Basic financial calculations

Learning objectives

- To understand the difference between variable costs, fixed costs and total costs.
- To understand the concept of revenue, costs, profit and loss.
- To be able to calculate revenue, costs and profit.

Suggested timing

1 hour

Learning activities and resources

- Starter: Ask students to write a list of 10 costs that a retail business incurs. Students then swap their list with their partner. The partner needs to identify whether the cost are variable or fixed.
- Key words and simple calculations revision test.

Specification content

Average rate of return

Learning objectives

- To understand the main investment projects that businesses undertake.
- To be able to calculate the average rate of return for these projects.

Additional guidance

The main investment projects include investment in new machinery, buildings and vehicles.

Suggested timing

1 hour

Learning activities and resources

- Starter: Show an image of an expensive sports car and a luxury yacht – ask students to decide which one they would purchase and why. The teacher then explains that this decision is based around enjoyment of the product etc vs the cost of the product. Most businesses will base their decisions on cost of the project vs the profit they can generate from the project.
- Students to create a list of the main investment projects businesses are concerned with.
- Teacher led explanation of the average rate of return calculation.
- Students to complete average rate of return calculations for a variety of projects.
- Complete question 2.4 from specimen paper 2.
- Exercise: Exam questions:
 - Paper 2, 2021, Q1.6, 1 mark
 - Paper 2, 2022, Q3.4, 5 marks.

Specification content

Break-even

Learning objectives

- To understand the meaning of the term break-even output and interpret break-even charts.
- To be able to identify the break-even level of output and margin of safety from a break-even chart.
- To be able to evaluate the value of using break-even analysis to a business.

Additional guidance

Students will not be expected to draw break-even charts or use the break-even formula.

Suggested timing

2 hours

Learning activities and resources

- Starter: Ask students to list the main objectives of a business, eg profit maximisation, increase brand awareness, minimal environmental impact etc.
- Teacher explanation of why a business reaching their break-even level is one of the most important targets for any business.
- Reference [webpage on breaking even \(BBC Bitesize\)](#).
- Students to draw a break-even chart and label the cost and revenue lines. Students should draw arrows to the relevant lines explaining why they are shaped like they are, eg fixed cost line is horizontal as fixed costs don't change with output.
- Teacher led explanation of the break-even point and the corresponding profit/loss.
- Students should label the break-even point and shade in the profit and loss sections on their break-even chart.
- Teacher led explanation of the margin of safety.
- Students should label the margin of safety on their break-even chart.
- Students to create a table for the main benefits and drawbacks of break-even analysis.
- Recap test on [financial terms and calculations \(BBC Bitesize\)](#).
- Exercise: Exam questions:
 - Paper 2, 2019, Q1.3, 1 mark
 - Paper 2, 2020, Q1.11, 2 marks
 - Paper 2, 2022, Q2.4, 4 marks.

3.6.4 Analysing the financial performance of a business

Specification content

Purpose of financial statements

Learning objective

To understand the importance of financial statements for assessing business performance and helping make business decisions.

Suggested timing

1 hour

Learning activities and resources

- Starter: Ask students to test their partner with three financial key terms and one calculation.
- Reference [webpage on financial accounts \(Tutor2u\)](#).
- Watch the [video on profit margins \(BBC Bitesize\)](#) (2.20 minutes).
- In pairs students should consider the reasons why businesses keep financial statements.
- Exercise: Exam question: Paper 2, 2019, Q1.9, 2 marks.

Specification content

Components of financial statements

Learning objective

- To identify the main components of the income statement.
- To identify the main components of the statement of financial position.
- To understand that the statement of financial position is a snapshot in time.
- To understand the difference between assets and liabilities.

Suggested timing

2 hours

Learning activities and resources

- Reference [webpage on financial statements \(BBC Bitesize\)](#).
- Teacher led explanation on the main components of the income statement.
- Students to draw out an income statement and highlight key calculations.
- Students to complete a mix and match activity on the main costs included – which costs are expenses and which are direct costs?
- Students to complete practice questions assessing gross profit and net profit calculations.
- Reference [webpage on balance sheets \(BBC Bitesize\)](#).
- Teacher explanation of the components of the statement of financial position.
- Students to write a definition of the statement of financial position.
- In pairs students should discuss what it means to be a snapshot in time.
- Students to write definitions of assets and liabilities and brainstorm examples of each.
- Teacher led discussion on the importance of managing the assets and liabilities of the business.
- Exercise: Exam questions:
 - Paper 2, 2019, Q1.4, 1 mark
 - Paper 2, 2020, Q1.6, 1 mark
 - Paper 2, 2021, Q1.4, 1 mark
 - Paper 2, 2022, Q1.1, 1 mark.

Specification content

Interpretation of data given on financial statements

Learning objectives

- To make judgements on the performance of a business through the interpretation of the information contained in income statements.
- To calculate gross profit margin and net profit margin to help assess financial performance.

Additional guidance

- Students should consider current performance, performance against previous years, performance against competitors and performance from the perspective of a range of stakeholders.
- Students will not be given formulae in an exam.

Suggested timing

2 hours

Learning activities and resources

- Starter: Break the income statement into sections – ask students to place the sections in the correct order.
- Recap understanding of stakeholders – ask students to list which stakeholders would be interested in the financial statements and why.
- Give students simple income statements for two businesses each with two years' worth of data. Students need to judge which business they think is currently the most successful and why they think this.
- Teacher led explanation on calculating and interpretation of gross profit margins.
- Students to calculate the gross profit margin for two years for a business example.
- In pairs students should explain what the figures mean for the business and what actions they can take to improve their gross profit margin.
- Teacher led explanation on calculating and interpretation of net profit margins.
- Students to calculate the net profit margin for two years for a business example.
- In pairs students explain what the figures mean for the business and what actions they can take to improve their net profit margin.
- There are many old exam questions for this topic.
- Exercise: Exam questions:
 - Paper 2, 2019, Q3.6, 2 marks, Q3.8, 12 marks
 - Paper 2, 2020, Q2.6, 5 marks
 - Paper 2, 2021, Q3.5, 5 marks, Q2.5, 2 marks
 - Paper 2, 2022, Q2.2, 5 marks.