

**A level Business**  
**Transition Pack**



# Eduqas A Level Business

## Transition Pack

### **Welcome!**

First of all, welcome to the Business Studies Department and A level Business course. The step up from GCSE to sixth form courses can seem daunting but don't panic, this transition pack is designed to help you prepare for this new course that you are interested in taking in September 2020.

The pack includes an overview of what you will study during the first year of the course, should you join it, together with a series of introductory tasks for you to work through. The tasks are designed to help you get to grips with some of the key terms you will need to know, as well as concepts you will learn about as a student of A level Business.

Business is a very popular qualification in sixth form. It enables students to develop an enthusiasm for studying business and gain a holistic understanding of business in a range of contexts. Students develop a critical understanding of organisations and their ability to meet society's needs and wants. Students will be encouraged to generate enterprising and creative approaches to business opportunities, problems and issues. Those undertaking the course will develop an understanding of the ethical dilemmas and responsibilities faced by organisations and individuals, as well as acquire a range of relevant business and generic skills, including decision-making skills, problem-solving skills and numerical skills.

The course requires critical thinkers, good organisation skills, and students who are willing to carry out independent study tasks. Business A level is a life relevant subject; it is a subject that is constantly updating, using up to date studies and issues that affect us in our everyday lives.

To access the Business A Level course in September, you will need to complete the tasks set out in this pack and also meet the course entry requirements, which can be found in the sixth form course listing document.

# A level business

## Topics you will study during the first year of the course

Component 1	<p style="text-align: center;"><b>Business opportunities and Functions</b>  <b>2hr 15 min exam in Summer 2023, 33%</b>  <b>Section A – compulsory short-answer questions</b>  <b>Section B – compulsory data response questions</b></p>
	<p><b>Enterprise:</b> Explain the meaning of enterprise and SMEs. Explain how satisfying needs and wants can give opportunities to entrepreneurs Identify business opportunities. Explain the role of the entrepreneur in creating, setting up, running and developing a business. Explain the financial and non-financial motives of entrepreneurs. Explain the characteristics and skills of entrepreneurs. Explain the importance of entrepreneurs and SMEs to the primary, secondary and tertiary sectors of the UK economy. Evaluate the impact of entrepreneurs and SMEs on businesses and the economy Identify the various stakeholders who are affected by a business</p>
	<p><b>Business Plans:</b> Explain the purpose and main components of a business plan. Evaluate the importance of a business plan Identify the main sources of information and guidance available to entrepreneurs</p>
	<p><b>Markets:</b> Explain what is meant by a market and competition. Identify different types of market, including local/global, mass/niche, trade/consumer, product/service and seasonal. Analyse and interpret market data, including market size, market share and market trends. Explain what is meant by market segmentation. Explain how markets are segmented . Evaluate the importance and impact of segmentation to a business and its customers . Understand that different markets have differing degrees of competition, ranging from perfect competition to monopoly. Explain the features of perfect competition, monopolistic competition, oligopoly and monopoly and their impact on business behaviour. Understand the reasons why consumers sometimes need protection from exploitation from businesses. Explain what is meant by demand, supply and equilibrium. Understand the importance of demand and supply in the market. Explain the factors that lead to a change in demand and supply. Explain how a change in demand and supply can impact on price and quantity. Construct and interpret demand and supply diagrams. Understand the factors that cause the demand and supply curves to shift and the effect this has on equilibrium price and quantity. Analyse and evaluate factors which affect demand and supply and equilibrium. Understand the concept of price and income elasticity of demand (learners are not required to do calculations). Explain the nature of inferior, normal and luxury goods</p>
	<p><b>Business structure :</b> Explain the difference between the private and public sector. Explain the aims of private sector businesses including survival, growth and profit. Explain the aims of the public sector and its role in providing goods and services. Evaluate the roles of the public and private sectors in the provision of goods and services. Explain the legal structure of different private sector business organisations including sole traders, partnerships, private and public limited companies. Explain what is meant by unlimited liability and limited liability. Explain the advantages and disadvantages of choosing different legal structures for a business. Evaluate the factors affecting the choice of the legal structure of a business. Explain the main features of not-for-profit organisations including social enterprises, charities, co-operatives and societies. Evaluate the importance and impact of the legal structure for the various stakeholders for a business</p>
	<p><b>Business location:</b> Explain the factors that need to be considered when locating a new business. Analyse these factors in relation to the needs of the business. Evaluate the choice of different locations for a new business</p>
	<p><b>Business finance :</b> Explain the sources of finance available to entrepreneurs and SMEs. Analyse the advantages and disadvantages of each source of finance Evaluate different sources of finance available to entrepreneurs and SMEs</p>
	<p><b>Business revenue and costs :</b> Explain what is meant by revenue, costs and profit. Identify costs to a business, including fixed, variable, semi-variable, direct, indirect/overhead</p>

costs and total costs. Calculate revenue, costs and profit Interpret revenue, costs and profit calculations. Evaluate the impact of revenue, costs and profit on a business and its stakeholders. Explain what is meant by contribution Explain what is meant by break-even. Calculate contribution and understand its application to the calculation of break-even. Construct and interpret break-even charts, including the margin of safety Illustrate on a break-even chart the effects of changes in costs and revenue. Analyse how changes in costs and/or revenue can affect break-even ('whatif' analysis). Evaluate the usefulness of break-even to a business and its stakeholders.

**Marketing** : The marketing mix, Price, Product, Place , Promotion. Strategies explained with each component and understanding the importance of changing elements to meet aims and objectives. Understand the importance of global marketing and global brands. Explain how the marketing mix will differ in different contexts including, local, national or global markets, goods or services markets, size of business, niche or mass markets and market structure. Evaluate the marketing mix in different contexts New technology. Explain how new technology is used in marketing, including the role of digital media, social media, e-tailing and m-commerce. Explain the impacts of new technology on existing businesses such as high street retailers. Evaluate the impact of new technology on the marketing activities of businesses and its stakeholders

**Market Research** : Explain what is meant by market research. Explain the value of carrying out market research. Distinguish between primary and secondary market research. Evaluate the use of market research to a business and its stakeholders. Distinguish between qualitative and quantitative data. Explain the different methods of primary and secondary research available to businesses. Explain the issues involved in selecting the most appropriate method of market research. Evaluate the use of the different methods of primary and secondary research. Interpret and evaluate quantitative and qualitative research Explain what is meant by sampling. Explain the difference between random and quota sampling methods. Understand the need to avoid bias in market research. Evaluate the usefulness of sampling for a business and its stakeholders

**Finance** : Budgeting , Business finance Explain the sources of finance available to established and large businesses and consider their appropriateness for different circumstances , Cash flow forecasting , The income statement, Explain the main components of a trading, profit and loss account (the income statement) and the way that it is constructed Calculate gross profit and net profit. Evaluate ways in which a business could improve its profit Ratio analysis

**People in organisations (human resources)** : Changes in working practices, Workforce planning , Recruitment , Training , Appraisal , Workforce performance , Organisational design , Motivation, Management and leadership , Employer/employee relationships

**Operations management:** Added value , Production , Productivity , Technology , Lean production , Quality , Purchasing , Research and development (R&D), Economies of scale.

## Business A level: Preparatory Tasks

Please complete each of the tasks set out in the rest of this transition pack and bring your answers and/or findings with you to the first lesson in September 2021 if you join the course.

Submission: should be a comprehensive written or typed set of answers. If you use other websites to get answers please do not copy from them create a list of all websites used and hand this in with your work. If you complete your work on google docs please share with [claire.bennett@oatfroge.co.uk](mailto:claire.bennett@oatfroge.co.uk) - with editing rights so that work can be marked.

### Task 1: Stakeholders

Having conducted your research, answer the following 'checkpoint/knowledge questions':

1. Give a definition of what the term 'stakeholder' means.
2. Identify six different stakeholder groups and say whether they are categorised as 'internal' or 'external' stakeholders.
3. For each stakeholder briefly outline what their interest/stake is (what do they want from a business)?
4. Complete a table like the one below to analyse how stakeholders can conflict.

Decision	A stakeholder that would benefit from this decision.....	A stakeholder that would conflict with this decision.....
To give employees a wage rise		
To raise the price of a product		
Building on 'green belt' land		
Bringing in new technology to produce more efficiently		

## Task 2: Stakeholders

*Read the information below and then answer the question at the end.*

### ALMOST TWO HUNDRED JOBS LOST IN AMDEGA COLLAPSE

**Up to 197 jobs are expected to be lost after the world's oldest conservatory manufacturer went into administration.**

Shocked staff were called in at Amdega factory, to be told that that 188 of them were being made redundant out of a workforce of 197. Many more people are also used by the firm, mostly as sub-contractors installing the conservatories.

#### **Question (8 marks)**

**Examine the impact of the closure of Amdega on its stakeholders.**

*How your answer will be marked*

Level 1	1-2 marks	You have identified one to two stakeholders and briefly outlined the <b>impact of the closure of Amdega</b> .
Level 2	3-5 marks	You have identified a range of relevant stakeholders and explained the <b>impact of the closure of Amdega to them</b> .
Level 3	6-8 marks	You have identified the <b>majority</b> of relevant stakeholders and <b>fully explained the impact of the closure of Amdega</b> to each one. This is the contrasting viewpoints of stakeholders. The same stakeholder group could have a positive viewpoint and a negative viewpoint about the closure. Make sure you write this in context of the Business Amdega (conservatory manufacturer)

## Task 3: Stakeholder in business

“The most powerful stakeholder to any business is the owners/shareholders”. Discuss this point of view.

**Writing frame:** Define stakeholder, discuss how owners/shareholders are the most powerful and why. Then discuss why other stakeholder groups might be more powerful. To achieve a high level answer you would give examples of business situations/scenarios/activities that demonstrates that a particular stakeholder groups has more influence in different situations. Expected answer length would be minimum one page answer.

## Task 4: Supermarket Businesses

Watch this episode on channel 5 called "inside Aldi"

<https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket/>

### Inside Aldi: Britain's Biggest Discount Store Part 1 Channel 5 Documentary

A good business student not only knows their theory, i.e. the content that is on the specification, but also thinks business. Business is a subject that surrounds us all day every day. We start to spot the actions taken by businesses and ask "Why?"; we start to question how we interact with business and the factors that influence our decisions; we start to question what is happening in society and the economy. A good business student is inquisitive.

1. **Start by thinking about what you already know and what your perceptions are. In less than 15 words sum up what you think about Aldi.**

2. **Who are the key players in the UK's supermarket industry?**

The pie chart below shows what % of the market the 6 biggest UK supermarket chains control. Use your existing knowledge of the industry to try and identify which segment of the chart represents which supermarket chain. 10% of the chart can just be labelled 'other'.

Market share in the UK supermarket industry



Check your answer, Supermarkets.

[https://drive.google.com/open?id=1ebzCf6\\_2Uu7rNbUmBAJ-ayEWMYhHy-Rv](https://drive.google.com/open?id=1ebzCf6_2Uu7rNbUmBAJ-ayEWMYhHy-Rv)

3. **Market share is the % of an industry controlled by one business. In the example above we could say that: \_\_\_\_\_ is the dominant business in the UK**

supermarket industry with a market share of \_\_\_\_\_ %. We call this application, applying our knowledge to a specific business or industry.

4. We would describe the industry as competitive. What do you think this means?

A business will therefore take actions to try and gain market share by having a **competitive advantage**. This means a feature or features of the business that allows it to perform better than others in the industry. Watch the first part (approx. 15 mins.) of the Channel 5 documentary “Inside Aldi”. **Draw a spider diagram to show any actions that you think Aldi takes to gain a competitive advantage.**

<https://www.channel5.com/show/inside-aldi-britains-biggest-budget-supermarket>

5. What evidence is there of Aldi successfully cutting costs and increasing efficiency?

6. A business that can motivate the workforce is likely to gain a competitive advantage. Motivation can take the form of financial incentives e.g. bonuses and non-financial incentives e.g. increased responsibility. **What evidence is there of Aldi motivating its workforce?**

7. Branding is a promotional method that involves the creation of an identity for the business that distinguishes the business and its products from its competitors. **How has Aldi challenged our perception of brands?**

8. Businesses may target a specific market segment. Market segmentation is the process of categorising customers into groups with similar characteristics. One way of segmenting the market is by income or socio-economic group. Socio-economic groupings, A – Higher managerial such as chief executives and directors, B – Intermediate managerial such as solicitors, accountants and doctors, C1 – Supervisory, clerical or junior professional such as teachers and junior managers, C2 – Skilled manual such as plumbers, electricians and carpenters, D – Semi and unskilled workers such as refuse collectors and window cleaners, E – Pensioners, casual workers, students and unemployed. **What evidence is there of Aldi’s market segment having changed over time?**

9. Aldi has achieved growth. **Write a paragraph to explain how Aldi has achieved growth and what evidence there is of this. Your challenge is to include as many of these terms in your paragraph as you can – show off your knowledge of business!**

- a. Market share
- b. Competitive industry
- c. Competitive advantage
- d. Marketing mix
- e. Organic growth
- f. External growth

Another Channel 5 documentary is “Inside Waitrose”. You could watch this to enhance your ability to compare and contrast business activity in the same industry.

<https://www.channel5.com/show/inside-waitrose/>

Watch the video named ‘Subway - Not Starbucks Or McDonald's - Has The Most Locations’ in the **Two Teachers YouTube Channel ‘Business Case Studies’ Playlist** and answer the following questions.



**Task 5: Franchises**

- 1. In your own words, define what a franchise is**
- 2. Who do you think the top 3 franchises in the world are? Justify why you think these 3 are so popular.**
- 3. How many subways are there in the world and why do you think the franchise has been so popular?**
- 4. Conduct a SWOT analysis on Subway**

<b>Strengths</b>	<b>Weaknesses</b>
<b>Opportunities</b>	<b>Threats</b>

- 5. Although Subway has the most locations it doesn't have the most sales. Why do you think Subway's sales are falling year on year and what would you do if you were the owner of the business to increase sales and the company's profitability? Ensure you justify your answers.**

## Good Website to use for A level business

[www.eduqas.co.uk](http://www.eduqas.co.uk) - there are digital resources available and sets of notes for all A level topics. You will find the specification on this website and exam content.

Digital resources: <https://resources.eduqas.co.uk/Pages/ResourceByArgs.aspx?subId=4&lvlId=1>

[www.tutor2u.co.uk](http://www.tutor2u.co.uk) - here there are lots of presentations on theory topics. There is also a youtube channel for tutor2u

Two teachers have got notes, presentations on theory topics - these can be found on youtube, twitter and facebook.

[www.bbc.co.uk](http://www.bbc.co.uk) - great for latest business news and operations

WJEC/Eduqas A Level Business

[https://drive.google.com/open?id=1afRpEo0\\_h2-5VCCfotFHKlduzaBrU4Oa](https://drive.google.com/open?id=1afRpEo0_h2-5VCCfotFHKlduzaBrU4Oa)

Follow the business department on twitter @OATbusinessdept

Thank you for working through the tasks in this transition pack. Doing so will undoubtedly help you make a good start to the Business A level course.

Please bring all of the work you have completed to your first Business A Level lesson, unless you have shared it with [claire.bennett@oatforge.co.uk](mailto:claire.bennett@oatforge.co.uk). We look forward to seeing you in September and helping you develop your knowledge of Business.