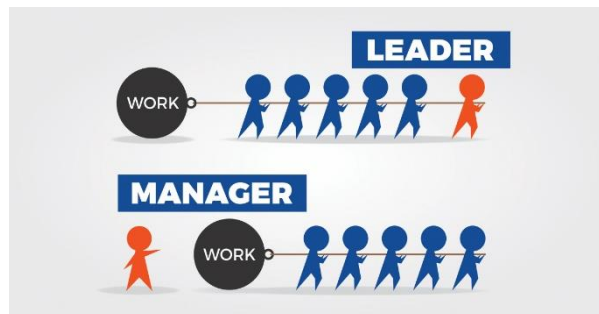




BTEC Y12-Y13

Summer Independent Learning 2023



Personal Finance

When working in finance you may be required to advise customers on appropriate financial products.

Current Accounts

A current account is an account with a bank or building society that is designed for frequent use. Money can be paid in and withdrawn daily without the need to give notice.



Using <https://www.moneysupermarket.com/current-accounts/> research an appropriate current account for your Parent/carer and complete the table below to demonstrate your research.

Account Name	Interest paid on positive balances	Overdraft facility	Charges on unauthorised overdraft	Conditions to open this account	Rewards / Other

Explain which account you think is most appropriate for your parent/ carer and why.

Financial Institutions



Financial Institutions are organisations that offer financial services to individuals and businesses. These services include the ability to deposit or withdraw money, obtain credit and make investments, as well as offering advice on matters of personal and business finance.

Watch this video on youtube to get more information about financial institutions:

[Features of Financial Institutions \(BTEC National Business\)](#)



BeeBusinessBee.co.uk

Bank of England

UK Central Bank

"to promote the good of the people of the United Kingdom by maintaining monetary and financial stability"

- Prints banknotes
- Controls inflation
- Supervises banks and insurers
- Ensures stability in the financial system







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ACTIVITY

Research and answer the following questions about these financial institutions

Describe how a pawnbroker works.

Describe how a payday loan works.

Give two roles of the Bank of England

1.

2.

What are the similarities and differences between a bank and a building society?

Similarities	Differences

Business Finance

Accounting



Accounting involves the recording of financial transactions, planned or actual, and the use of these figures to produce financial information.

ACTIVITY

Watch this video and then explain the following reasons for accounting:

[Purpose of Accounting \(BTEC National Business\)](#)



Reason	Explanation
Record Transactions	
Management of the business	
Compliance	
Measuring Performance	
Control	

Business Finance Key Terms



There are several key terms you will need to become familiar with to be able to carry out accounting for a business.

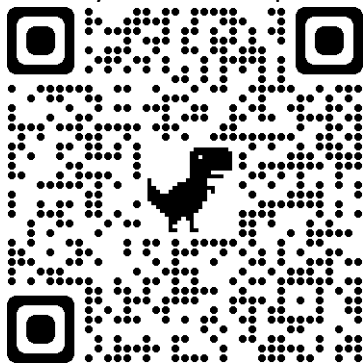


Research the key terms using the text book on teams and give examples of the following.

Key Term	Definition	Example
Capital		
Shares		
Revenue		
Trade receivables		
Trade Payables		
Asset		

Fixed Asset		
Current Asset		
Intangible Asset		
Gross Profit		
Net Profit		
Depreciation		

When you have completed the above, complete this key term quiz using this QR code / Link.



<https://quizlet.com/601453050/test>

Statement of Comprehensive Income

A statement of comprehensive income (profit and loss account), if produced correctly, will give an accurate calculation showing how much profit **OR** loss the business has made. It records sales, costs and profit over a period of time (normally a year).



Use the following formulas to calculate the gross and net profit for this business.

Gross profit = Sales revenue – cost of goods sold

Net profit = Gross profit – Expenses

	£000s	£000s
Sales		411,529
Less cost of goods sold		
Purchases	128,129	
Gross Profit		£
Less Expenses		
Rent and rates		37,554
Wages and salaries		96,221
Telephone and Postage		1,359
Distribution		31,593
Advertising		15,579
Miscellaneous expenses		28,452
Depreciation		17,848
Total Expenses		228,606
Net Profit before Tax		£

Making financial business decisions

ACTIVITY

Silva's current premises are too small. Ruksana has found a new property that meets the business's needs. She has two options for acquiring the property.

Option 1

Renting the property on a five-year lease. The rent is fixed at a cost of £1 000 per month.

Option 2

Buying the property on a 20 year variable rate mortgage. At current interest rates this will cost £1 800 per month.

- 14** Evaluate whether *Silva* should lease the property (Option 1) or buy the property (Option 2).

(12)

Ruksana runs a flower shop called *Silva*. Use the structure below to help you to answer the question above to achieve maximum points in this exam question.

Option 1

Positive of option 1

Why would this be positive for Ruksana?

Negative of option 1

Why would this be negative for Ruksana

Positive of option 2

Why this would be positive for Ruksana?

Negative of option 2

Why this would be negative for Ruksana

Differences between the two options

Final decision

Reason why this is the best choice for Ruksana

Leadership and Management

Leadership Styles

Watch the YouTube video in this link and complete the following table.

[Types of management and leadership styles | BTEC Business Level 3 Unit 6](#)

PATERNALISTIC STYLE:

- This leadership style is like one big family, the organization is one big family, where the manager will act as the maternal or paternal figure
- Employees are part of the family, and they should trust the manager
- A paternalistic leader will protect the staff and make them feel safe



Leadership Tyle	Definition	Advantage	Disadvantage
Autocratic			
Democratic			

Paternalistic			
Laissez-Faire			
Transactional			
Transformational			
Charismatic			

Theories of Motivation

There are more than two million articles and publications featuring aspects of motivation. Psychologists have been proposing motivational theories since the 1940s when struggling with understanding what motivates people to achieve goals. You will explore four theories here. Watch the videos and write a summary of each theory.

Theorist	Link	Summary
Maslow	https://www.tutor2u.net/business/reference/motivation-maslow-hierarchy-of-needs	
Herzberg	https://www.tutor2u.net/business/reference/motivation-herzberg-two-factor-theory	
Taylor	https://www.tutor2u.net/business/reference/motivation-taylor-scientific-management	
Mayo	https://www.youtube.com/watch?v=DG3lv8puY	

Financial and Non-Financial Motivators

<https://www.remusrewards.com/financial-and-non-financial-incentives/>

Below are a list of financial and non financial motivators that businesses use to help to ensure job satisfaction among their employees. Please put each from the list below under the correct box.

Financial rewards are those that will cost the business money to provide whereas non-financial rewards incur no cost for the business financially.

Bonus	Phone	Car
Working relationships	Autonomy	Travel expenses
Pension	Challenging work	Time off in lieu
Free meals	Belongingness	Public and private praise
Profit Sharing	Pay Rise	Employee discounts
Flexible working	Private health care	

Put the above list in the correct boxes below

Financial	Non Financial

ACTIVITY

Read the following scenario and type up the Report that follows.

Johnsons is a medium sized manufacturer of greeting cards. An 80-year-old family business, it has operated in the same way since inception, with the owner controlling all business matters.

Mr Johnson is the current owner. He is very relaxed about his leadership and is resistant to give more direction to his staff as he has full trust in their abilities. The workforce is capable however, due to the lack of meetings some of the orders are not being fulfilled correctly for customers and staff are feeling upset and lack direction.

The current manager, Mr Khan, has decided to seek advice about better ways of managing the workforce. He has asked you to put together a report which describes the different management and leadership styles.

He would also like you to explain how business culture impacts on the running of the business.

Report

Introduction

(Type about the business here)

Issues

(Explain the issues the business has here)

(Consider:

- the current leadership style of the business here
- how this leadership style impacting on the culture of the business)

Leadership Styles

1. Explain ALL of the different leadership styles – giving an example of a business these are used.
2. Explain how the leadership style used by the manager and leaders will impact on the culture of the business.

Business Culture

1. Explain how different leadership styles impact on the culture of a business.

Recommendations:

1. Explain which leadership style would be suitable for Mr Johnson and Mr Khan

2. Explain four skills they will need to use to carry out this leadership style and why.

Summary

Explain the impact your recommendations will have on:

1. Business culture, including staff morale, rewards, motivation.
2. Success of the business including, profits, revenue.