

A Level Business Year 11 – 12

Summer Independent Learning 2024



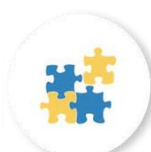
By completing these activities as part of your Summer Learning, you will gain:

- an opportunity to preview the Year 1 content of A Level Business
- an ability to contribute in class with real world examples
- an appreciation that you will need to develop quantitative skills in A Level Business
- an increased ability to hit the ground running at the start of the A Level course

Completing this task will also help you develop the following skills:



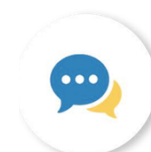
Organisation



Problem Solving



Initiative



Communication

Please make sure that you complete all of the tasks fully and electronically if possible and bring your work to submit on Microsoft Teams, to be reviewed by your teacher in your first Business Studies lesson.

[Note you can take pictures of your work and submit in one document using Microsoft Lens. This will be explained in your first lesson].

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Guidance and support

Organise your SIL work for all your subjects using the calendar below. You can write which days you will do your work. You can then repeat this process each week by creating your own and amending the times if needs be.

Week Commencing: _____

Weekly SIL planning timetable

Weeks to go: _____

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
9:00 – 10:00							
10:00 – 11:00							
11:00 – 12:00							
12:00 – 13:00							
13:00 – 14:00							
14:00 – 15:00							
15:00 – 16:00							
16:00 – 17:00							
17:00 – 18:00							
18:00 – 19:00							



THE POMODORO METHOD

ABOUT

POMODORO is a productivity method created by Italian developer Francesco Cirillo.

The name originates from the tomato-shaped timer that he used to track his time when he was completing assignments as a student.

"Pomodoro" is Italian for tomato

- ✓ A simple time management and productivity technique
- ✓ Involves breaking a large task down into smaller tasks (called "pomodoros")
- ✓ Trains the brain to focus for short periods
- ✓ Over time it can build your attention span and ability to concentrate

HOW

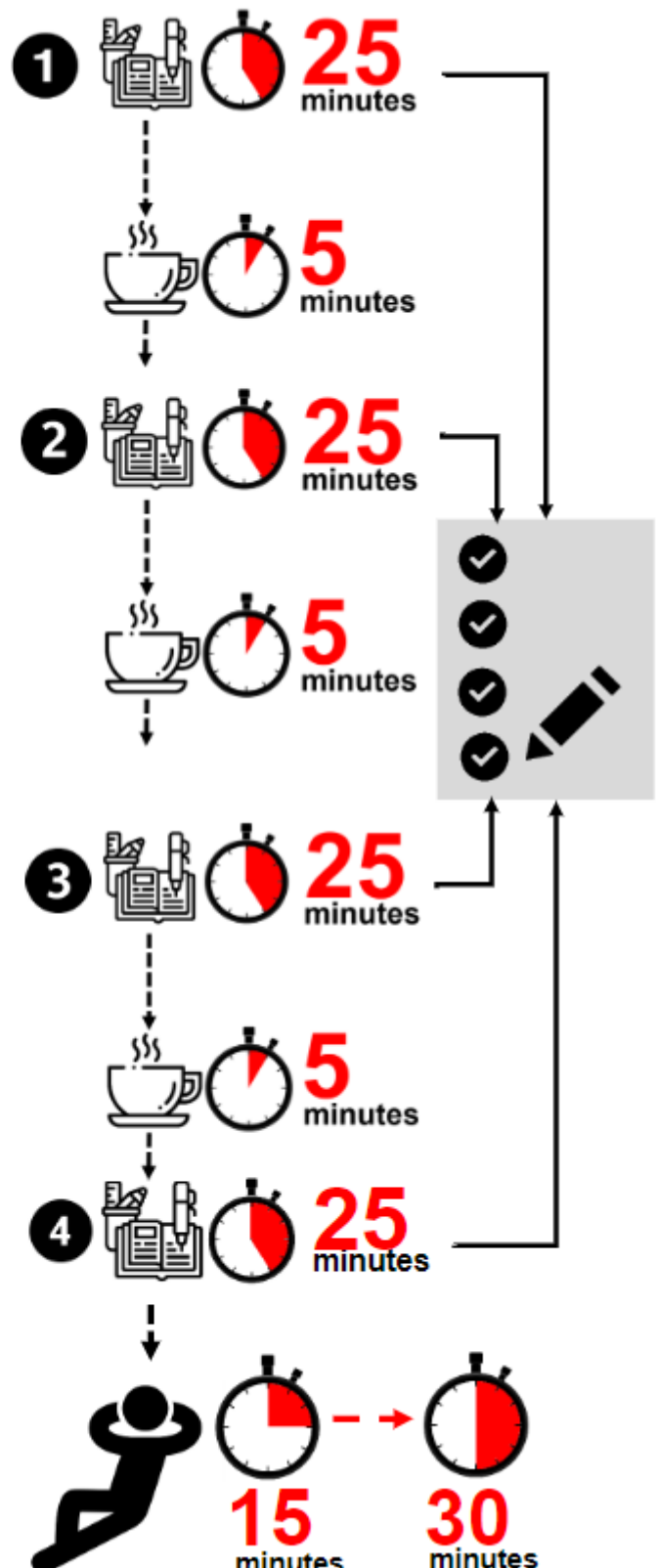
Choose the task that you wish to complete

Set a timer and work on that task for 25 minutes

When 25 minutes have elapsed, place a tick on a sheet of paper

Take a 5 minute break

Repeat this process 3 times, taking a longer break (15 – 30 minutes) after your fourth session



Developing Exam Skills: Application

In your Business Studies course, it is very important to develop the ability to show application skills by applying your Business knowledge to different businesses. This will help you provide examples and context for your essays.



Choose TWO companies from the list below to research and become an 'expert' on over the next year. Choose your two companies carefully, and try and choose them from a *range of industries*.

ALDI	MATALAN	PURE GYM	DAVID LLOYD LEISURE	HALFORDS	BOOTS
LOCAL CAFE	CENTER PARCS	PRIMARK	TRAVEL AGENT	AMAZON	NISSAN
IKEA	CARAVAN AND MOTORHOME DEALER	CAR SHOWROOM	DESIGNER CLOTHES STORE	LOAKE SHOES	SHOE ZONE
SPORTS DIRECT	WATERSTONES	LOCAL NEWSAGENT	MCDONALDS	RYANAIR	SKY
UNILEVER	APPLE	TAYLOR WIMPEY	MARKS AND SPENCER	HOME BARGAINS	WAITROSE
HAIRDRESSERS	BRITISH AIRWAYS	B&Q	LOCAL PHARMACY	STARBUCKS	ITALIAN RESTAURANT

Company choice 1:

Company choice 2:

The word "ACTIVITY" is written in a bold, orange, sans-serif font with a slight 3D effect. It is set against a dark green rectangular background.

As part of your research you need to:

- Visit the company websites for both companies. Include the main company websites here:

- Follow the companies on Instagram, LinkedIn, Twitter and TikTok (if available). Include the addresses here:

- Research recent news stories related to your companies on news websites such the BBC, Sky News etc. Include the links here:

Note: You will need to keep your research up-to-date, and you should be prepared to be asked to feedback your research to the class at certain parts of the course.

SCORE is a technique which you can use to identify key elements of context and help you write more contextualized responses. Picking out the SCORE elements of a particular business can allow you to write more applied answers, for example, rather than just saying that a business operates in a highly competitive market, pick out the specific competitors of the business.

S	Size & Sector	e.g. Revenues, Profits, Manufacturer, Service
C	Costs, Customers & Competitive Environment	e.g. Fixed, Variable, Customer Groups, Market, Competitors
O	Ownership & Objectives	e.g. Private, Public, Profit, Sales Maximisation
R	Resources	e.g. Finance, IP, People, Products, Services
E	External Environment	e.g. Legislation, Economy, Technology

ACTIVITY

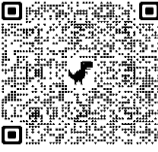
Make a list of useful websites which you used to get information about the SCORE factors above. (A few examples are listed to start you off). These links may be useful to refer to later in the course.

Example company chosen: Nissan

- *Revenues Source: Statista:* <https://tradingeconomics.com/7201:jp:sales>
- *External Environment Source:* <https://pestleanalysis.com/nissan-pestle-analysis/>
- *Competitors Source:* <https://www.owler.com/company/nissan-globa>

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Now summarise your key findings for each company in the SCORE sheet below. More information about what to include in each section is here:



Company 1:

SCORE

S	Size & Sector	
C	Costs, Customers and Competitive Environment	
O	Ownership & Objectives	
R	Resources	
E	External Environment	



Company 2:

SCORE

S	Size & Sector	
C	Costs, Customers and Competitive Environment	
O	Ownership & Objectives	
R	Resources	
E	External Environment	



Key Knowledge Preview

The following section previews some of the work which you will cover in Year 1 of your A Level Business course. Take the time to complete these activities fully, as this will help you when you study this area of the course.

Functional area: MARKETING

Decision making to improve marketing performance.

Marketing objectives set out what a business wants to **achieve** from its **marketing activities**.

They should **support the business' overall aims** and objectives e.g. profit, growth, survival etc. They should also be **SMART**.

Example of Marketing objectives:

- **Sales value** (£) and **volume** (quantity)
- **Market share** (% of sales of market)
- **Market/Sales growth** (% increase)

SMART Marketing Objectives



Specific

Can the detail in the information sufficient to pinpoint problems or opportunities? Is the objective sufficiently detailed to measure real-world problems and opportunities?



Measureable

Can a quantitative or qualitative attribute be applied to create a metric?



Actionable

Can the information be used to improve performance? If the objective doesn't change behaviour in staff to help them improve performance, there is little point in it!



Relevant

Can the information be applied to the specific problem faced by the marketer?



Time-bound

Can objectives be set for different time periods as targets to review against?

Objective	Example
Sales value	To increase sales by £500,000 by end of 2022.
Sales volume	To increase sales by 10,000 units by end of 2022.
Market share Formula: sales / market sales x 100	To increase market share by 2% by end of 2022.
Sales growth Formula: change in sales / original x 100	To increase sales by 5% by end of 2022.

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Q1. Complete the table below showing the market share for each business for 2020 and 2021. Also calculate the percentage change in sales for each business and the market.

	Sales 2020	Market share 2020	Sales 2021	Market Share 2021	% change in SALES between '20 – '21
Hilton	50,000		80,000		
Premier	90,000		130,000		
Ritz	150,000		220,000		
Strand	210,000		200,000		
Total	500,000	100%	630,000	100%	

Q2. The value of car sales grew from £10,000,000 in 2020 to £13,000,000 in 2021. Calculate the percentage growth in the UK car market over this period of time. Show your workings out.

Market research

Starting a business or developing new products requires an understanding of your competition, the market, and the intended target audience. Finding out this information comes requires a business or entrepreneur to carry out market research.

Types:



Q3. Odd one out

Which is the odd one out? Circle your answer and state why.

(a) Google, government departments, consumer trials, competitor websites

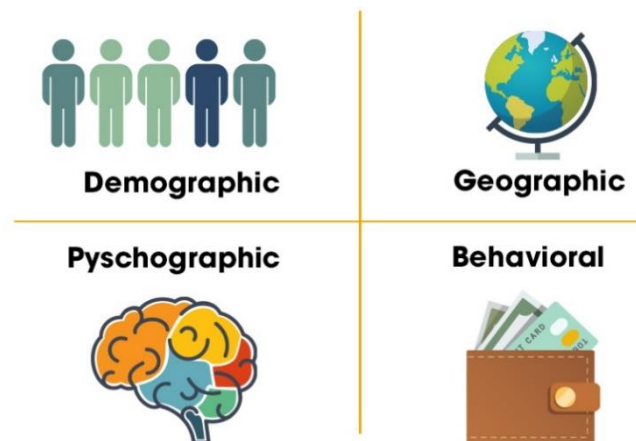
(b) Observation, newspaper, postal surveys, focus groups

STP – Segmentation, targeting, positioning

The process by which a business discovers its customers is known as STP. For example, **not everyone wants to buy a particular product**, and businesses must realise this rather than trying to sell to everyone. Finding your target market that are most likely to buy your products helps them achieve marketing objectives e.g. sales value/volume.

The process of **dividing a market/customers into smaller parts** that a business can then target is known as segmentation. There are four types of segmentation:

TYPES OF SEGMENTATION



a. Demographic Segmentation

This is the segmentation of a market based on personal attributes such as age, gender, ethnicity, education, etc.

b. Geographic Segmentation

This segmentation of a market is based on country, region, county, or city.

c. Psychographic Segmentation

This segmentation is based upon an individual's personality, values, lifestyle, or beliefs.

d. Behavioural Segmentation

This is the process of segmentation that is based on the target individual's purchasing behaviour.



Age:

Product	Group
Paw Patrol Bubble machine	
Mobility scooter	
PS5	
Children sun cream	

Gender:

Product	Group
Perfume	
Golf bag	
Power tools	
Hair straighteners	

Geographic area:

Product	Group
Quad bike	
Electric scooter	
Bucket and spade	
Wellington	

Positioning

This refers to the combination of benefits and price difference to other businesses that determines the competitiveness of what they offer.

ACTIVITY

Brand	How do the brands differ?
JD Sports and Sports Direct	
Coca-Cola and Pepsi	
Facebook and Snapchat	

Marketing mix

The marketing mix deals with the way in which a business uses price, product, place and promotion to market and sell its products.



ACTIVITY

Using the video in the link, write down the different parts of the marketing mix for the Apple iPhone.



Marketing mix	Notes
Product	
Place	
Price	
Promotion	

Functional area: OPERATIONS

Decision making to improve operations performance.



The **operations function** of a business is the "engine-room" of the business, and like all engines, performance can and should be measured.

Some Operational Objectives:

- Costs
- Quality
- Efficiency

Q1	Fill in the gaps
	Operational _____ are the targets set by the operations dept. They should be _____ and measurable such as achieving a labour productivity rate of 256 cars per worker per year. But as well as _____ targets such as saving time and money there are those such as improving quality, for example reducing the number of _____ made on the production line. For a furniture manufacturer _____ of response could be crucial in winning orders, for example being able to deliver within 2 weeks of ordering. Today there are also operational targets for _____ concerns like reducing the amount of water used in manufacturing. Internal influences on operational objectives could be staff motivation and training whereas _____ influences could include _____ as they could be producing at higher rates of productivity enabling them to _____ unit costs.
	<i>Choose from: external, defects, environmental, reduce, competition, specific, efficiency, objectives, speed,</i>

Q2	Match the likely operational objective with the scenario	
1.	Quality	A. Increasing the number of products made by each worker on a production line
2.	Flexibility	B. Increasing volume output in order to gain discounts from suppliers
3.	Dependability	C. Reducing factory emissions during production
4.	Environmental	D. Responding quickly to customer demands perhaps changing over from one production line to another
5.	Costs	E. Reducing the level of defective products by 30%
6.	Efficiency	F. To ensure that customers can expect the same level of service and quality time and time again

ACTIVITY

Using the video in the link, write down what you think Ocado's operational objective is and why



Unit costs (average cost of making one unit/output): Formula: total costs divided by output

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Unit costs practice

Sammy's Sarnies makes a range of different sandwiches in her small corner store. Her fixed costs are £2,500 per month. The cost of the ingredients for her sandwiches average at approximately £1 per sandwich. She sells approximately 1,500 sandwiches each month at on average £4 each.

Using the above data, complete the following tasks:

i. Calculate the monthly total costs

ii. Calculate the monthly unit cost

iii. Calculate the monthly revenue

iv. Calculate the monthly profit

Calculate the unit cost at the different levels of output below:

Output	Total Costs	Unit Cost (£)
100	12,000	
200	20,000	
300	26,000	
400	30,000	
500	33,000	
600	35,000	

Explain **two** ways that a business could reduce their unit costs.

Quality is about meeting the needs and expectations of customers.

Customers want quality that is appropriate to the price that they are prepared to pay and the level of competition in the market.

Key aspects of quality for the customer include:

- Good design – looks and style
- Good functionality – it does the job well
- Reliable – acceptable level of breakdowns or failure
- Consistency
- Durable – lasts as long as it should
- Good after sales service
- Value for money



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Think of two different businesses in different industries that you think represent good quality. Write down reasons why you think it is known for good quality.

Business	Reasons its known for quality

Supply Chain

ACTIVITY

Using the image below write down in your own words what you see and what you think the term 'Supply Chain' means.



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ACTIVITY

Using the link provided, write down the key facts about the supply chain of a Lego Brick.



<https://www.youtube.com/watch?v=rUAsm4Szw8>

REVENUE, COSTS, PROFITS AND BREAK-EVEN

REVENUE

Revenue (sometimes called **sales revenue** or **total revenue** or **turnover**) is the amount of money that flows into a business as it sells its products. **It is calculated by PRICE X QUANTITY.** If Hovis sold 3,000 stone-ground loaves at £2.20 each, its revenue from this product would be $3,000 \times £2.20 = £6,600$.

Explain the difference between revenue and profit.	
Below are a number of methods that Hovis could use to increase the revenue of its stone-ground loaves. For each one, explain how the method could lead to an increase in revenue; and explain one disadvantage or problem that might stop the plan from working.	
Increase the price of the loaves from £2.20 to £2.80.	
Reduce the price of the loaves from £2.20 to £1.50.	

Spend £100,000 on a television commercial which will try to persuade customers to buy the product.	
What other information would help you decide which price would lead to the most revenue?	

COSTS

Peter Baker had calculated the **cost** of producing speciality breads and had decided that he could charge a premium **price** for these products.

1. Look at the above sentence and explain, using examples, the difference between cost and price.

Below are some of the many different types of costs. Confusingly, some of the names mean the same thing. For example, **overheads** are the same as **fixed costs**: a) variable costs, b) fixed costs, c) direct costs, d) indirect costs, e) overheads, f) total costs.

2. Using the letters, a to f, (from the list above) identify which costs are being described. Some need more than one letter. Underneath each one, use Hovis to give an example of this type of cost.

Description/Example	Type of cost
Costs which do not change as more or less loaves are produced	
Costs which increase directly with each extra loaf that Hovis produces	
Costs which increase as Hovis increases output, but do not increase with each extra loaf	
The final cost of producing a product, when all costs have been added together	

3. Below are four statements that Peter Baker has made about the costs at Hovis. In each case explain what he means, using examples and as much detail as you can.

a. 'Reducing our variable costs is difficult to do without cutting the number of loaves we produce.'

b. 'I see some of my labour costs as variable, and some (such as management salaries) as fixed.'

c. 'I'm never quite sure whether to classify power (such as electricity and gas) as an overhead.'

d. 'It is easy to work out the variable costs of producing a new product, but how much of the factories fixed costs should we include in the costings? This problem makes it difficult to calculate total cost.'

PROFITS AND LOSSES

Profits = Total Revenue – Total Costs

Hovis' Profit and Loss Account shows what Hovis will do with its profits. The three main ways that these profits are *appropriated* (used) are **a)** to pay corporation tax, **b)** to pay dividends to shareholders and **c)** to retain profit in the business.

- 1.** How might Hovis minimise the amount of corporation tax it pays?
Remember that this is a tax paid on profits, that Hovis employs accountants, and that while tax evasion is illegal, tax avoidance is not!

- 2.** What would be the likely consequences of Hovis not paying dividends to its shareholders? Think about what shareholders might do with their shares and how they might vote at the AGM.

3. A - What would happen to the profit that Hovis makes a) if their revenue increases but their costs stay the same, b) their costs increase, but revenue remains the same. For both

B – What could Hovis do if they want to increase their profit. Give some example that are specific to Hovis.

Losses

4. What would be the consequences of Hovis making losses? What could Peter Baker do to return the business to profitability? What could he have done to prevent Hovis making a loss? Write as much as you can and give examples.

The following words and phrases may be useful in your answer: *long-term, short-term, shareholders, takeover, bankrupt, bank, management, directors, profits, redundancies, cost-cutting, efficiency.*

Break-Even

Break-even analysis tells you how many units of a product must be sold to cover the fixed and variable costs of production. At the break-even output you are neither making a profit nor a loss. The formula used to calculate it is below.

$$\text{Break-Even Point} = \frac{\text{Fixed Costs}}{\text{Contribution Margin}}$$

The new specialist Hovis factory based in Worcestershire has monthly overheads of £360,000. Each loaf from this new factory is sold for £2.50 with a variable cost of £0.67 per loaf.

Calculate the break-even output per month and the profit Hovis made last month from this factory.

Human Resources

This functional area of a business manages all aspects of the employees, from their recruitment and training, to the design of their job role, paying their wages and firing them.

Motivation

One important role for HR is to make sure that workers are happy, motivated and engaged at work. Watch the video and then answer the questions attached. <https://youtu.be/dSfDROxCuxI>

What is meant by an engaged employee?	
What are the benefits to a firm of having engaged and motivated employees?	
How can firms motivate their workers? (think of methods that include payment and those that do not)	

Preview Knowledge Self-Assessment.

Topic Area	RAG Rating (Red, Amber, Green) – how would you assess your understanding of these topics?	How you can improve your understanding of these topic further.
Marketing		
Operations		
Revenue, costs, profits, and Break-even		
Human Resources		

Goals and Objectives

Please answer all the following questions on personal goals and objectives briefly, but as honestly as you can:

What does success look like for you?

What is most important you get right this year?

What obstacles do you think you may have to overcome to succeed at school?

What career / job are you currently considering? Why?

What would be important to you in a job? Describe a good day at work.

Do you have a workspace in which to do your work?

Describe the last time you set yourself a piece of work.

Have you ever worked hard before? How would you define it?

How will you use a week's study periods? Where will you be and what will you be doing?

How many hours do you think you should be studying? What should you be doing?

When working, how do you know you've done enough? What amount of effort deserves a reward?

How will you organise your subject notes?

If you could change one aspect of the way you organise yourself, what would it be?

Suggest one object, thing or action that would improve your organisation.

What do you do with your homework or test scores when you get a low grade?

What is revision? What revision techniques do you prefer to use?

What to buy and bring to class for September!

Our Expectations of A-Level Business Students

As an A Level Business Studies student, we expect you to have the following when you start:

- Leaver arch file (see image)
- Pen
- Pencil
- Ruler
- Calculator
- A4 Notepad
- Flash cards

