



BBG SENTINELS

BUSINESS – PAPER 1, 1 HOUR 45 MINUTES

Theme 1: Investigating small business

Topic 1.1 Enterprise and entrepreneurship

1.1.1 The dynamic nature of business • Why new business ideas come about: • changes in technology • changes in what consumers want • products and services becoming obsolete. How new business ideas come about: • original ideas • adapting existing products/services/ideas.

1.1.2 Risk and reward The impact of risk and reward on business activity: • risk: business failure, financial loss, lack of security • reward: business success, profit, independence.

1.1.3 The role of business enterprise The role of business enterprise and the purpose of business activity: • to produce goods or services • to meet customer needs • to add value: convenience, branding, quality, design, unique selling points. The role of entrepreneurship: • an entrepreneur: organises resources, makes business decisions, takes risks.

Topic 1.2 Spotting a business opportunity

1.2.1 Customer needs Identifying and understanding customer needs: • price, quality, choice, convenience • customers: generating sales, business survival.

1.2.2 Market research The purpose of market research: • customer needs gaps in the market • reduce risk • business decisions. • primary research: survey, questionnaire, focus group, observation • secondary research: internet, market reports, government reports. • qualitative and quantitative data • the role of social media in collecting market research data • the importance of the reliability of market research data.

1.2.3 Market segmentation How businesses use market segmentation to target customers: • identifying market segments:

1.2.4 The competitive environment • strengths and weaknesses of competitors • the impact of competition on business decision making.

Topic 1.3 Putting a business idea into practice

1.3.1 Business aims and objectives
• aims and objectives when starting up: • financial aims and objectives • non-financial aims and objectives. • Why aims and objectives differ between businesses.

1.3.2 Business revenues, costs and profits
revenue • fixed and variable costs • total costs • profit and loss • interest • break even level of output • margin of safety. • break even diagrams: • the impact of changes in revenue and costs • break even level of output • margin of safety • profit and loss.

1.3.3 Cash and cash-flow

1.3.4 Sources of finance for a start-up or established small business:
• short-term sources • long-term sources

Topic 1.4 Making the business effective

1.4.1 The options for start-up and small businesses The concept of limited liability: • limited / unlimited liability. • The types of business ownership for start-ups • the advantages and disadvantages of each type of business ownership.

1.4.2 Factors influencing business location:

1.4.3 The marketing mix • the impact of technology on the marketing mix.

1.4.4 Business plans • to identify: the business idea; business aims and objectives; target market (market research); forecast revenue, cost and profit; cash-flow forecast; sources of finance; location; marketing mix.

Topic 1.5 Understanding external influences on business

1.5.1 Business stakeholders:

1.5.2 Technology and business • Different types of technology used by business • How technology influences business activity in terms of:
• sales • costs • marketing mix.

1.5.3 Legislation and business
The purpose of legislation: • principles of consumer law: quality and consumer rights • principles of employment law: recruitment, pay, discrimination and health and safety. The impact of legislation on businesses: • cost • consequences of meeting and not meeting these obligations.

1.5.4 The economy and business - The impact of the economic climate on businesses.

1.5.5 External influences The importance of external influences on business.