

Shenfield High School **BUSINESS STUDIES** Edexcel GCSE



Theme 1: Investigating small business (*Paper code: 1BS0/01)

Topic 1.1 Enterprise and entrepreneurship

Topic 1.2 Spotting a business opportunity

Topic 1.3 Putting a business idea into practice

Topic 1.4 Making the business effective

Topic 1.5 Understanding external influences on business

Specification

<https://qualifications.pearson.com/content/dam/pdf/GCSE/Business/2017/specification-and-sample-assessments/gcse-business-spec-2017.pdf>

Quizlet resource

<https://quizlet.com/gb/215486558/edexcel-gcse-business-9-1-key-terms-theme-1-investigating-small-business-flash-cards/>

Topic 1.1 Enterprise and entrepreneurship

**Basic
K&U**

**General
K&U**

**Thorough
K&U**

**Exam
ready**

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.

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Quizlet resource <https://quizlet.com/305110716/edexcel-gcse-business-9-1-theme-1-investigating-small-businesses-flash-cards/>

Topic 1.2 Spotting a business opportunity		Basic K&U	General K&U	Thorough K&U	Exam ready
1.2.1 Customer Needs	Identifying and understanding customer needs: <ul style="list-style-type: none"> ● what customer needs are: price, quality, choice, convenience ● the importance of identifying and understanding customers: generating sales, business survival 				
1.2.2 Market research	The purpose of market research: <ul style="list-style-type: none"> ● to identify and understand customer needs ● to identify gaps in the market ● to reduce risk ● to inform business decisions Methods of market research: <ul style="list-style-type: none"> ● primary research: survey, questionnaire, focus group, observation ● secondary research: internet, market reports, government reports The use of data in market research: <ul style="list-style-type: none"> ● 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: <ul style="list-style-type: none"> ● identifying market segments: location, demographics, lifestyle, income, age ● market mapping to identify a gap in the market and the competition. 				
1.2.4 The competitive environment	Understanding the competitive environment: <ul style="list-style-type: none"> ● strengths and weaknesses of competitors based on: price, quality, location, product range and customer service ● the impact of competition on business decision making. 				

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BBC resource <https://www.bbc.co.uk/bitesize/examspecs/z98snbk>

Topic 1.3 Putting a business idea into practice

**Basic
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ready**

1.3.1 Business aims and objectives	What business aims and business objectives are				
	Business aims and objectives when starting up:				
	<ul style="list-style-type: none"> financial aims and objectives: survival, profit, sales, market share, financial security non-financial aims and objectives: social objectives, personal satisfaction, challenge, independence and control. 				
	Why aims and objectives differ between businesses.				

1.3.2 Business revenues, costs and profits	The concept and calculation of:				
	<ul style="list-style-type: none"> revenue fixed and variable costs total costs profit and loss interest break even level of output margin of safety 				
	Interpretation of break even diagrams:				
	<ul style="list-style-type: none"> the impact of changes in revenue and costs break even level of output margin of safety profit and loss. 				

Topic 1.3 Putting a business idea into practice		Basic K&U	General K&U	Thorough K&U	Exam ready
1.3.3 Cash and cash-flow	The importance of cash to a business:				
	• to pay suppliers, overheads and employees				
	• to prevent business failure (insolvency)				
	• the difference between cash and profit.				
	Calculation and interpretation of cash-flow forecasts:				
	• cash inflows				
	• cash outflows				
1.3.4 Sources of business finance	• net cash flow				
	• opening and closing balances				
	Sources of finance for a start-up or established small business:				
	• short-term sources: overdraft and trade credit				
• long-term sources: personal savings, venture capital, share capital, loans, retained profit and crowd funding.					

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Topic 1.4 Making the business effective		Basic K&U	General K&U	Thorough K&U	Exam ready
1.4.1 The options for start-up and small businesses	The concept of limited liability: ● limited and unlimited liability				
	● the implications for the business owner(s) of limited and unlimited liability.				
	The types of business ownership for start-ups: ● sole trader, partnership, private limited company				
	● the advantages and disadvantages of each type of business ownership.				
	The option of starting up and running a franchise operation: ● the advantages and disadvantages of franchising.				
1.4.2 Business location	Factors influencing business location: ● proximity to: market, labour, materials and competitors				
	● nature of the business activity				
	● the impact of the internet on location decisions: e-commerce and/or fixed premises.				
1.4.3 The marketing mix	What the marketing mix is and the importance of each element: ● price, product, promotion, place.				
	How the elements of the marketing mix work together: ● balancing the marketing mix based on the competitive environment				
	● the impact of changing consumer needs on the marketing mix				
	the impact of technology on the marketing mix: e-commerce, digital communication.				

Topic 1.4 Making the business effective		Basic K&U	General K&U	Thorough K&U	Exam ready
1.4.4 Business plans	The role and importance of a business plan: <ul style="list-style-type: none"> ● 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. 				
	The purpose of planning business activity: <ul style="list-style-type: none"> ● the role and importance of a business plan in minimising risk and obtaining finance. 				

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Topic 1.5 Understanding external influences on business

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1.5.1
Business
stakeholders

Who business stakeholders are and their different objectives:
 ● shareholders (owners), employees, customers, managers, suppliers, local community, pressure groups, the government.

Stakeholders and businesses:
 ● how stakeholders are affected by business activity
 ● how stakeholders impact business activity
 ● possible conflicts between stakeholder groups.

1.5.2
Technology
and business

Different types of technology used by business:
 ● e-commerce
 ● social media
 ● digital communication
 ● payment systems.

How technology influences business activity in terms of:
 ● sales
 ● costs
 ● marketing mix.

1.5.3
Legislation

The purpose of legislation:
 ● principles of consumer law: quality and consumer rights

and business	<ul style="list-style-type: none"> principles of employment law: recruitment, pay, discrimination and health and safety. 				
Topic 1.5 Understanding external influences on business		Basic K&U	General K&U	Thorough K&U	Exam ready
1.5.3	<p>The impact of legislation on businesses:</p> <ul style="list-style-type: none"> cost consequences of meeting and not meeting these obligations. 				
1.5.4 The economy and business	<p>The impact of the economic climate on businesses:</p> <ul style="list-style-type: none"> unemployment, changing levels of consumer income, inflation, changes in interest rates, government taxation, changes in exchange rates. 				
1.5.5 External influences	<p>The importance of external influences on business:</p> <ul style="list-style-type: none"> possible responses by the business to changes in: technology, legislation, the economic climate. 				