

# EDEXCEL GCSE BUSINESS 9-1



## 1.1 Enterprise and entrepreneurship

<b>The dynamic nature of Business</b>	☺	☹	☹
<ul style="list-style-type: none"> <li>I know why new business ideas come about. (Changes in technology, changes in what consumers want and products and services becoming obsolete).</li> <li>I understand how new ideas come about: original ideas and adapting existing products/services/ideas.</li> </ul>			
<b>Risk and Reward</b>	☺	☹	☹
<ul style="list-style-type: none"> <li>I understand the risks involved in opening a business; business failure, financial loss, lack of security.</li> <li>I understand the rewards involved in opening a business; business success, profit and independence.</li> </ul>			
<b>The role of Business enterprise</b>	☺	☹	☹
<ul style="list-style-type: none"> <li>I know what a 'good' is.</li> <li>I know what a 'service' is.</li> <li>I understand the role of market research.</li> <li>I understand the importance of meeting customer needs.</li> <li>I understand the term 'Added Value'.</li> <li>I know how businesses could add value to their products/services. (Convenience, branding, quality, design and unique selling points).</li> <li>I can explain what an entrepreneur is.</li> <li>I can explain the role of an entrepreneur is to; organise resources, make business decisions and taking risks.</li> </ul>			
<b>1.2 Spotting a business opportunity</b>			
<b>Customer needs</b>	☺	☹	☹
<ul style="list-style-type: none"> <li>I can identify what customer needs are; price, quality, choice and convenience.</li> <li>I understand the importance of identifying and understanding customers: (I.e. generating sales, business survival).</li> </ul>			

<b>Market Research</b>	😊	😐	☹️
<ul style="list-style-type: none"> <li>• I understand the purpose of market research; (to identify and understand customer needs, to identify gaps in the market, to reduce risk, to inform business decisions).</li> <li>• I understand there are two methods of market research; primary and secondary.</li> <li>• I know examples of primary research methods (e.g survey, questionnaire, focus group, observation)</li> <li>• I know examples of secondary research methods (internet, market reports and government reports)</li> <li>• I know what qualitative data is.</li> <li>• I know what quantitative data is.</li> <li>• I understand the difference of qualitative and quantitative data.</li> <li>• I understand the role of social media in collecting market research data.</li> <li>• I understand the importance of the reality of market research data.</li> </ul>			
<b>Market Segmentation</b>	😊	😐	☹️
<ul style="list-style-type: none"> <li>• I understand what a target market is.</li> <li>• I can identify market segments (i.e. location, demographics, lifestyle, income and age)</li> </ul>			
<b>The competitive environment</b>	😊	😐	☹️
<ul style="list-style-type: none"> <li>• I understand what a competitor is.</li> <li>• I understand the term 'Competitiveness'.</li> <li>•</li> <li>• I can identify strengths and weaknesses of competitors based on; price, quality, location, product range and customer service.</li> <li>• I understand the impact competition can have on business decision making.</li> </ul>			
<b>1.3 Putting a business idea into practice</b>			
<b>Objectives</b>	😊	😐	☹️
<ul style="list-style-type: none"> <li>• I know what business objectives are.</li> <li>• I know what business aims are.</li> <li>• I know the difference between an aim and an objective.</li> <li>• I know what financial objectives are and can give examples. (e.g. survival, profit, growth, sales, market share, financial security).</li> <li>• I know what non-financial objectives are. (e.g. social objectives, personal satisfaction, challenge, independence and control).</li> </ul>			

Business revenues, costs and profits	😊	😐	😞
<ul style="list-style-type: none"> <li>• I know what Sales revenue is.</li> <li>• I know the formula for sales revenue.</li> <li>• I know what a fixed cost is.</li> <li>• I know what a variable cost is.</li> <li>• I know how to work out total costs.</li> </ul>			
Estimating revenues, costs and profits	😊	😐	😞
<ul style="list-style-type: none"> <li>• I know what profit is.</li> <li>• I know the formula for profit.</li> <li>• I know what interest is.</li> <li>• I know the formula to calculate the interest.</li> <li>• I know what break-even is.</li> <li>• I know the formula to work out break-even.</li> <li>• I can interpret a break even diagram by labelling the break-even point, profit and loss.</li> <li>• I can describe the impact of changes in revenue on costs and the break-even output.</li> <li>• I know what the margin of safety is.</li> </ul>			
Cash and Cash flow	😊	😐	😞
<ul style="list-style-type: none"> <li>• I know why cash is important to a business (to pay suppliers, overheads, employees, business failure (insolvency)).</li> <li>○ I know the difference between cash and profit.</li> <li>○ I know what 'cash flow' means.</li> <li>○ I know what a cash flow forecast is.</li> <li>○ I can calculate and complete cash flow forecasts.</li> <li>○ I can list cash inflows</li> <li>○ I can list cash outflows.</li> <li>○ I can calculate net cash.</li> <li>○ I can calculate opening and closing balances.</li> </ul>			
Sources of business finance	😊	😐	😞
<ul style="list-style-type: none"> <li>○ I know why businesses may need sources of finance.</li> <li>○ I know what a short-term sources of finance is (i.e. overdraft and trade credit).</li> <li>○ I know what a long-term sources of finance is (i.e. personal savings, venture capital, share capital, loans, retained profit and crowd funding).</li> </ul>			

1.4 Making business start-up effective			
<b>The options for start-up and small businesses</b>	☺	☹	☹
<ul style="list-style-type: none"> <li>○ I know what unlimited liability is.</li> <li>○ I know what limited liability is.</li> <li>○ I understand the implications for the business owner(s) of limited and unlimited liability.</li> <li>○ I know what a sole trader is.</li> <li>○ I know the advantages and disadvantages of sole traders.</li> <li>○ I know what a partnership is.</li> <li>○ I know the advantages and disadvantages of partnerships.</li> <li>○ I know what a private limited company is. (Ltd).</li> <li>○ I know what a public limited company is. (Plc)</li> <li>○ I know the advantages and disadvantages of both types of limited company.</li> <li>○ I know what a franchise is.</li> <li>○ I know the advantages and disadvantages of franchises.</li> <li>○</li> </ul>			
<b>Business Location</b>	☺	☹	☹
<ul style="list-style-type: none"> <li>○ I understand that there are factors which would influence a business location.</li> <li>○ A business may need to be near their market, near labour, near raw materials, and near competitors.</li> <li>○ The location depends of the nature of the business.</li> <li>○ The location depends on the impact of the internet on location decisions e-commerce and/or fixed premises.</li> <li>○</li> </ul>			
<b>The Marketing Mix</b>	☺	☹	☹
<ul style="list-style-type: none"> <li>○ I know what the marketing mix is.</li> <li>○ I know the importance of each element in the marketing mix; price, product, place, promotion</li> <li>○ I know how each element of the marketing mix work together</li> <li>○ I know how businesses can balance the marketing mix based on the competitive environment.</li> <li>○ I know the impact of changing customer needs on the marketing mix.</li> <li>○ I know the impact of technology on the marketing mix: e-commerce, digital communication.</li> </ul>			
<b>Business Plans</b>	☺	☹	☹
<ul style="list-style-type: none"> <li>○ I know what a business plan is.</li> <li>○ I know what a business plan contains; outline of business idea, business aims and objectives, description of target market, evidence of market research, forecast of revenue, cost and profit; cash-flow forecast, sources of finance; location; description of marketing mix.</li> <li>○ I understand the role and importance of a business plan when obtaining finance.</li> </ul>			

# 1.5 Understanding the economic context

## Market Demand and Supply



- I understand the term 'commodity markets'.
- I understand the terms 'demand' and 'supply'.
- I understand that the price of commodity markets depend on demand and supply.
- I can explain the difference between commodity markets and normal markets.
- I can explain the effect on small firms of price changes in raw materials and energy costs.

## Interest rates



- I can define an interest rate.
- I can explain how changing interest rates affect small firms which tend to rely on overdrafts and loans for finance.
- I can analyse the impact of changing interest rates on consumer spending.

## Exchange Rates



- I can explain what an exchange rate is.
- I can explain how changes in the £/\$ or £/€ affect small firms that trade abroad or face competition from abroad.
- I can analyse the impact of changing exchange rates on the price of imported and exported goods.
- I can calculate exchange rates on product prices.

## The Business Cycle



- I understand the term 'economic growth'.
- I understand that economic activity tends to rise (boom) and fall (recession).
- I understand that as the economic activity changes it can have serious effects on small businesses.

## Stakeholders



- I understand the term 'stakeholder'.
- I can list stakeholders for a business.
- I can explain how business decisions may impact on different stakeholders.
- I understand how there may be a conflict of interest between stakeholders.