

## TOPICS TO COVER

### **Theme 1 - Investigating small businesses**

- Enterprise and entrepreneurship
- Spotting a business opportunity
- Putting a business idea into practise
- Making the business effective
- Understanding external influence

### **Theme 2 – Building a business**

- Growing the business
- Making marketing decisions

## TOPICS TO COVER

## HIGH FREQUENCY TOPICS

Types of market research  
Types of cost, revenue and profit  
Breakeven Analysis  
Marketing mix for small businesses – factors affecting the marketing mix  
Types of business ownership  
Effects of technology to a business – e-commerce, social media, changes to a business's processes  
Business growth – organic, inorganic, globalisation, technology  
Product differentiation, design mix, marketing mix/extension strategies

## REVISION RESOURCES

### SMART REVISE

BBC BITESIZE Edexcel Business

SENECA – students have access to all Theme 1 topics studied

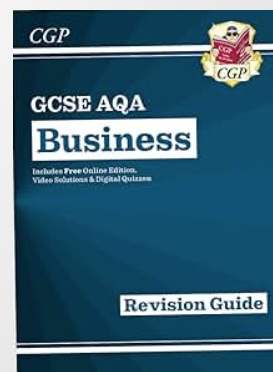
KNOWLEDGE ORGANISER – available from Mrs Slater



### **Revision guides to borrow**

Available from Mrs Slater

One per student only.  
Yours to keep for the year but must be handed back in after the summer exams.



Exam technique tips  
and with practice  
questions

**1 mark**

**State/ Give;** Answers normally require one word.

**Identify;** Usually requires you to interpret data from a graph. Simply provide the answer and move on.

*NB: Answers to these questions need to be given in context.*

**Define;** Provide a clear and precise definition of the term that has been provided by your teacher.

*NB; this will only appear in Paper 2 so DO NOT waste your time memorising all key term definitions in Paper 1*

**State one benefit to Last Course Patisserie of conducting secondary market research.**

*Research in the food industry has already been carried out and will save time.*

**2 marks**

**Calculate;** Answer showing the formula and your workings (you will get these marks if the answer is wrong). Make sure you use the correct unit e.g.; £

**Table 1 contains information about a small business for one month. The business sold 340 units in this month. Using the information from table 1, calculate the total costs for one month. You are to show your workings.**

*Total costs = Fixed costs + variable costs*

*Total costs = £3600 + (£9 x 340)*

*Total costs = £6660*

**Outline;** One reason in context should be given that is then explained with **one** connective strand e.g.; 'which means'

**Outline one risk taken by the owners when starting Last Course Patisserie.**

*The owners risked the loss of security from their regular wage (1) because there may not be a demand for hand-made desserts (1)*

**3 marks**

**Explain;** Give your answer and then follow this through with **two** connective points:

- Which means
- Therefore

*NB: These type of questions are only found in Section A of both papers so no context is required.*

**Explain one benefit to an entrepreneur of buying a franchise to start a business.**

*An entrepreneur could benefit from national advertising campaigns (1), which means they will have access to a larger budget (1), therefore increasing brand awareness (1)*

Exam technique tips  
and with precise  
questions

6 marks	
<p><b>Discuss;</b> Give your answer and then follow this through with <b>five</b> connective points:</p> <ul style="list-style-type: none"> <li>- Because</li> <li>- Which means</li> <li>- Therefore</li> <li>- As a result</li> <li>- In turn</li> </ul> <p>You can do this as 2 x separate points if you prefer:</p> <ul style="list-style-type: none"> <li>- Because</li> <li>- Which means</li> <li>- Therefore</li> </ul> <p><i>NB: These type of questions are only found in Section A of both papers so no context is required.</i></p>	<p><b>Discuss the importance of cash to the survival of a small business.</b></p> <p><i>Having cash will allow the business to pay its suppliers on time (1), because the business has the cash flow available to do this (1), which means there is trust between the businesses and suppliers (1), therefore allowing the business to purchase goods using credit (1), as a result cash flow can improve (1), in turn allowing the business to use cash for other urgent things preventing it from failing (2).</i></p> <p><b>OR</b></p> <p><i>Having cash will allow the business to pay its suppliers on time (1), because the business has the cash flow available to do this (1), which means there is trust between the businesses and suppliers (1), therefore allowing the business to purchase goods using credit (1).</i></p> <p><i>Having cash will allow employees to be paid on time (1), because the business have cash flow available to do this (1), which means employees will not be de-motivated because they are not being paid (1), therefore not having to endure recruitment and selection costs (1)</i></p>
<p><b>Analyse;</b> Give your answer and then follow this through with <b>five</b> connective points that ARE in context:</p> <ul style="list-style-type: none"> <li>- Because</li> <li>- Which means</li> <li>- Therefore</li> <li>- As a result</li> <li>- In turn</li> </ul>	<p><b>Analyse the impact on Last Course Patisserie of operating as a private limited company.</b></p> <p><i>It can make it easier to raise finance for the business by selling shares (1), because the business can sell shares to friends and family (1), which means the new machine can be purchased (1), therefore increasing production making more available to</i></p>

<p>You can do this as 2 x separate points if you prefer:</p> <ul style="list-style-type: none"> <li>- Because</li> <li>- Which means</li> <li>- Therefore</li> </ul> <p><i>NB: These types of questions are only found in Section B of both papers and will require context.</i></p>	<p><i>be sold (1), as a result can help increase turnover (1), in turn increasing profit (1).</i></p> <p><b>OR</b></p> <p><i>It can make it easier to raise finance for the business by selling shares (1), because the business can sell shares to friends and family (1), which means the new machine can be purchased (1), therefore increasing production making more available to be sold (1).</i></p> <p><i>Furthermore, the owner will not be responsible for the debts that the business may get into (1), because the company has limited liability (1), which means only the machinery may get taken to cover debts, therefore keeping personal assets safe (1).</i></p>
--	--

Exam technique tips  
and with precise  
questions

**9 marks**

**Justify;** Pick an option and then ensure that there **three** connective points for each side of the option that ARE in context:

- Because
- Which means
- Therefore

You must make a judgement at the end.

- Think about SR vs LR costs for the business
- Think about the size of the business/ aims and objectives
- Why the other option is not suitable

**Fender is considering two options to increase its profitability: Option 1- Increase advertising/ Option 1: Increase prices. Justify which one of these options should Fender choose?**

*Fender should choose option 1, because for Fender to increase advertising is that it would improve the awareness of the 'musical instruments' they sell, which means that the instruments would be widely seen by the intended target market (such a popular musicians), therefore leading to increased sales of musical instruments and attracting an increase in revenue.*

*However, increasing advertising of 'some of the finest instruments in the world' would be costly to Fender, because they would need to ensure they're generating enough revenue from the sales of the instruments consistently to cover the additional costs of marketing, which means costs will increase, therefore potentially reducing the profit margins available.*

*Overall, increasing advertising of their musical instruments is the most suitable option for Fender as it would help them stand out from their rivals and help them attract and make the right decision. However, this depends on the choice of advertising that Fender use and the effectiveness of this to reach their target market. Option 2, may not be a suitable option for Fender as they already charge high prices, and demand for the instruments would decrease if the economy were to fall into a recession.*

**12 marks**

**Evaluate;** These questions will always be presented for you to be able to give 2 sides of an argument- normally a 'Yes' or a 'No'. Answers need to be given in context.

Give your answer for each side set out with the following **four** connective points:

- Which means
- Therefore
- As a result
- In turn

You must make a judgement at the end.

- Think about SR vs LR costs for the business
- Think about the size of the business/ aims and objectives
- Why the other option is not suitable

**Evaluate the impact of e-commerce on Aphrodite's marketing mix. You should use information provided as well as your own knowledge.**

*E-commerce has a great impact on the marketing mix at Aphrodite's. To begin with their 'place' is available 24/7, which means they are able to reach a wider audience to sell their clothes to, therefore increasing sales, resulting in increased profit allowing them to reinvest in other areas of the business such as extending into accessories. Moreover, they are able to keep their prices low, which means they will be more competitive, therefore encouraging customers to come to them over rivals such as Misguided.*

*However, it could be argued it doesn't have an impact especially with the product element of the marketing mix. As most customers would like to try on clothes to see if they fit correctly, which means customers may be put off buying online, therefore reducing sales, resulting in less profit that they can use to re-invest into other fashion lines.*

*Overall it does have an impact as at the moment, they are a growing business and their aim is to keep costs low so that they can expand and grow their business. As they expand, place*