

2019/2020



**TAVERHAM
SIXTH
FORM**

BUSINESS TRANSITION PACK

A guide to A-level business and summer transition work
Mrs L Robertson/Mrs D Woods/Mr P Rapley

Business A-level Course Outline

Examination Board: AQA Business 7132

About the course

Business is a popular academic course that is firmly grounded in the reality of the dynamic business environment. You will learn subject content alongside real business events such as the global recession, the BP Deepwater Horizon oil spill and the leadership of great entrepreneurs such as Lord Sugar and Sir Richard Branson to bring theory to life. As well as looking at fundamental business functions such as human resources, marketing, finance etc. there is a newer focus on digital technology and e-commerce, international business, globalisation and business ethics. It's what you read and hear about in the news, backed by up-to-date case studies to bring the subject to life.

Entrance requirements

Standard entry requirement for entry onto A level programmes of study is 6 GCSEs at Grade 4 or above including maths and English. It is not essential but useful if you have studied business studies before and achieved at least Grade 5 grade or equivalent.

A-level content

1. What is business?
2. Managers, leadership and decision making
3. Decision making to improve marketing performance
4. Decision making to improve operational performance
5. Decision making to improve financial performance
6. Decision making to improve human resource performance
7. Analysing the strategic position of a business
8. Choosing strategic direction
9. Strategic methods: how to pursue strategies
10. Managing strategic change

Assessment/Careers

Paper 1: Business	+	Paper 2: Business 2	+	Paper 3: Business 3
What's assessed All content above		What's assessed All content above		What's assessed All content above
Assessed <ul style="list-style-type: none"> written exam: 2 hours 100 marks in total 33.3% of A-level 		Assessed <ul style="list-style-type: none"> written exam: 2 hours 100 marks in total 33.3% of A-level 		Assessed <ul style="list-style-type: none"> written exam: 2 hours 100 marks in total 33.3% of A-level
Questions Three compulsory sections: <ul style="list-style-type: none"> Section A has 15 multiple choice questions worth 15 marks Section B has short answer questions worth 35 marks Sections C and D have two essay questions (choice of one from two and one from two) worth 25 marks each 		Questions Three data response compulsory questions worth approximately 33 marks each and made up of three or four part questions		Questions One compulsory case study followed by approximately six questions
Careers: Business Studies helps you to develop a variety of employability skills such as effective communication, teamwork and critical thinking skills. Career opportunities include accounting, investment banking, retail management, human resources, marketing, strategic buying to name a few.				

Reading List

AQA recommended textbooks

AQA A-level Business Year 1/AS Fifth Edition (SurrIDGE & Gillespie)

AQA A-level Business Year 2 Fifth Edition (SurrIDGE & Gillespie)

AQA Business for A-level (Marcousé) (covers full A-level)

Other good sources to read

Business Review magazine – students will be able to subscribe to this

A good quality newspaper (particularly the business section) such as The Guardian, The Times, The Telegraph, The Independent or the I (for a more concise read).

Books and autobiographies written by famous entrepreneurs such as Howard Schultz, Terry Leahy, Richard Branson, Alan Sugar, Karan Bilimoria, Duncan Bannatyne, Deborah Meaden, Peter Jones, Theo Paphitis, Fraser Doherty etc

Journals and magazines may also be useful to read to broaden your knowledge such as The Economist, Marketing and The Grocer.

Films/Documentaries

Enron: The Smartest Guys in the Room (2007) YouTube:

www.youtube.com/watch?v=_xIO731MAO4&feature=related

The Corporation (2006) YouTube: www.youtube.com/watch?v=2z-JVP6aAxs

Useful websites

- www.aqa.org.uk
- sample assessment material: : <http://www.aqa.org.uk/subjects/business-subjects/as-and-a-level/business-7131-7132/assessment-resources>
- www.tutor2u.net: Tutor2u is an essential Business Studies resource for all students. It contains an excellent Blog with relevant news stories, exam advice and analysis of topical events. It also has various quizzes, revision notes and Power Points for free.
- www.bbc.co.uk/news/business: keep up to date with current events in the business world through the **BBC website Business news section**. Very easy to read and many helpful articles to gain real examples of the theory learnt in class. Vital for success in A2.
- www.guardian.co.uk/business/uk-edition: the **Guardian newspaper Business section**. Slightly more in-depth look at business current events and still free to access on-line.
- www.independent.co.uk/news/business: The **Independent newspaper Business section**. Another great source for business stories and again still free on-line.

Transition Work

Please complete all work on lined paper (or word process) making sure your name is clearly at the top of each sheet and submit your work to your teacher at your first class in September.

Section 1: Costs, Revenue and Profit

Calculating costs, revenues and profits are part of decision making to improve financial performance. To help you understand the fundamentals of how these concepts are calculated, read the information below and complete the corresponding activities.

Key Terms and Calculations

Key Term	Definition	Calculation
Selling price	The amount that a customer pays in order to receive a good or service	
Revenue	The total amount of money earned by a business from selling its goods or services	Revenue = selling price x number sold
Fixed cost	Costs that do not change with level of output. Also known as overheads or indirect costs.	Total fixed costs = all fixed costs added together
Variable cost	Costs that change with level of output. If output increases the total variable costs will increase. Also known as direct costs	Total variable cost = variable cost per unit x output
Total cost	The sum of all the costs added together	Total costs = fixed costs + variable costs
Profit	The amount of money left from revenue once all costs have been deducted. If the revenue is greater than the total costs the business has made a profit. If it is lower they have made a loss.	Profit = revenue – total costs

Example

Source: AQA Business Studies BUSS2 Numerical Skills Workbook, ZigZag Education 2012

Simone's Sandwich Shop is a small business based in Suffolk which supplies sandwiches and homemade cakes to employees of local firms. They also sell to people who are passing by the shop and businesses that do not have the facilities to cater for meetings or events they are holding. The business will serve approximately 80 customers each day who each spend around £3.75. The business spends on each customer around £0.40 on raw materials, £0.70 on wages and £0.15 on energy for each one served. The weekly costs are £225 for rent, £35 insurance, £50 business rates and salary £325. The business opens for five days a week.

1. Calculate the revenue achieved by Simone's Sandwich Shop during one week of trading (3 marks)
a. $£3.75 \times 80$ (customers) = £300 per day
 $£300 \times 5$ (days) = £1,500 per week
2. Calculate the total variable costs per week of Simone's Sandwich Shop (4 marks)
a. $£0.40$ (raw materials) + $£0.70$ (wages) + $£0.15$ (energy) = £1.25 per customer
 $£1.25 \times 80$ (customers) = £100

3. Calculate the total weekly costs of Simone's Sandwich Shop (4 marks)

a. $\text{Fixed costs} = \text{£225 (rent)} + \text{£25 (insurance)} + \text{£50 (business rates)} + \text{£325 (salary)} = \text{£625}$

$\text{Total costs} = \text{£625 (total fixed costs)} + \text{£500 (total variable costs)} = \text{£1,125 total costs per week.}$

4. Calculate the weekly profit or loss of Simone's Sandwich Shop (2 marks)

a. $\text{£1500 (revenue)} - \text{£1125 (costs)} = \text{£375 weekly profit}$

Activity

Smyth Special Occasions is a business that organizes special events including weddings, stag, hen, birthday and anniversary parties. The business charges each customer £1,000 to organize the event. The business has a number of costs that are paid on a weekly basis:

- event planner's salary £450
- office assistant's salary £300
- rent £150
- insurance £50
- office heating and light £50

The business usually organizes **four events per week**. The costs associated with **each event** include:

- event staff wages £300
- travel £100
- leased equipment £100

Remember:

- ✓ write your answers on a separate piece of paper with your name clearly at the top
- ✓ show your calculations like in the example above
- ✓ clearly label your answers

1. Calculate the revenue achieved by Smyth Special Occasions per week (2 marks)

2. Calculate the total variable costs per week for Smyth Special Occasions (3 marks)

3. Calculate the total fixed costs per week of Smyth Special Occasions (2 marks)

4. Calculate the total weekly costs of Smyth Special Occasions (2 marks)

5. Calculate the weekly profit or loss of Smyth Special Occasions (2 marks)

Section 2: Leadership and management

Conduct your own research into a range of different leaders and **on no more than one side of A4** please address the following two questions in an essay:

1. What is the difference between leadership and management?
2. What factors determine whether or not a leader is successful?

Have a lovely summer and we look forward to seeing you in September!