**AS Business WJEC 2015**

**Scheme of work**

**AS Specification overview**



**Business Opportunities**

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| Content | Amplification |
| Enterprise | * Explain the meaning of enterprise and SMEs
* Explain how satisfying needs and wants can give opportunities to entrepreneurs
* Identify business opportunities
* Explain the role of the entrepreneur in creating, setting up, running and developing a business
* Explain the financial and non-financial motives of entrepreneurs
* Explain the characteristics and skills of entrepreneurs
* Explain the importance of entrepreneurs and SMEs to the primary, secondary and tertiary sectors of the UK economy
* Evaluate the impact of entrepreneurs and SMEs on businesses and the economy
* Identify the various stakeholders who are affected by a business
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| Business Plans | * Explain the purpose and main components of a business plan
* Evaluate the importance of a business plan
* Identify the main sources of information and guidance available to entrepreneurs
 |
| Markets | * Explain what is meant by a market and competition
* Identify different types of market, including local/global, mass/niche, trade/consumer, product/service and seasonal
* Analyse and interpret market data, including market size, market share and market trends
* Explain what is meant by market segmentation
* Explain how markets are segmented
* Evaluate the importance and impact of segmentation to a business and its customers
* Understand that different markets have differing degrees of competition, ranging from perfect competition to monopoly
* Explain the features of perfect competition, monopolistic competition, oligopoly and monopoly and their impact on business behaviour
* Understand the reasons why consumers sometimes need protection from exploitation from businesses
* Explain what is meant by demand, supply and equilibrium
* Understand the importance of demand and supply in the market
* Explain the factors that lead to a change in demand and supply
* Explain how a change in demand and supply can impact on price and quantity
* Construct and interpret demand and supply diagrams
* Understand the factors that cause the demand and supply curves to shift and the effect this has on equilibrium price and quantity
* Analyse and evaluate factors which affect demand and supply and equilibrium
* Understand the concept of price and income elasticity of demand (learners are not required to do calculations)
* Explain the nature of inferior, normal and luxury goods
 |
| Market Research | * Explain what is meant by market research
* Explain the value of carrying out market research
* Distinguish between primary and secondary market research
* Evaluate the use of market research to business and its stakeholders
* Distinguish between qualitative and quantitative data
* Explain the different methods of primary and secondary research
* available to businesses
* Explain the issues involved in selecting the most appropriate method of
* market research
* Evaluate the use of the different methods of primary and secondary research
* Interpret and evaluate quantitative and qualitative research
* Explain what is meant by sampling
* Explain the difference between random and quota sampling methods
* Understand the need to avoid bias in market research
* Evaluate the usefulness of sampling for a business and its stakeholders
 |
| Business Structure | * Explain the difference between the private and public sector
* Explain the aims of private sector businesses including survival, growth and profit
* Explain the aims of the public sector and its role in providing goods and services
* Evaluate the roles of the public and private sectors in the provision of goods and services
* Explain the legal structure of different private sector business
* organisations including sole traders, partnerships, private and public limited companies
* Explain what is meant by unlimited liability and limited liability
* Explain the advantages and disadvantages of choosing different legal structures for a business
* Evaluate the factors affecting the choice of the legal structure of a business
* Explain the main features of not-for-profit organisations including social enterprises, charities, co-operatives and societies
* Evaluate the importance and impact of the legal structure for the various stakeholders for a business
 |
| Business Location | * Explain the factors that need to be considered when locating a new business
* Analyse these factors in relation to the needs of the business
* Evaluate the choice of different locations for a new business
 |
| Business Finance | * Explain the sources of finance available to entrepreneurs and SMEs
* Analyse the advantages and disadvantages of each source of finance
* Evaluate different sources of finance available to entrepreneurs and SMEs
 |
| Business Revenue and costs | * Explain what is meant by costs, revenue and profit
* Identify costs to a business, including fixed, variable, semi-variable, direct, indirect/overhead costs and total costs
* Calculate revenue, costs and profit
* Interpret revenue, costs and profit calculations
* Evaluate the impact of costs, revenue and profit on a business and its stakeholders
* Explain what is meant by contribution
* Explain what is meant by break-even
* Calculate contribution and understand its application to the calculation of break-even
* Construct and interpret break-even charts, including the margin of safety
* Illustrate on a break-even chart the effects of changes in costs and revenue
* Analyse how changes in costs and/or revenue can affect break-even (‘what-if’ analysis)
* Evaluate the usefulness of break-even to a business and its stakeholders
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**Business Functions**

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| Content | Amplification |
| **Marketing** | * Explain the purpose of marketing and its importance to different types of business organisation in different situations
* Explain what is meant by market orientation, product orientation and Asset-led marketing.
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| The Marketing Mix | * Explain what is meant by the term marketing mix.
 |
| Product | * Explain what is meant by product, product portfolio, brand, unique selling point (USP) and differentiation
* Evaluate the importance of having the right product(s) to a business and its stakeholders
* Explain what is meant by the product life cycle
* Explain the stages in the product life cycle
* Explain what is meant by an extension strategy
* Construct and interpret a product life cycle diagram including
* extension strategies
* Evaluate the impact of extension strategies on a business
* Explain the relationship between the product life cycle and cash flow
* Analyse product life cycles and extension strategies for different businesses, products and markets
* Evaluate the use of the product life cycle to a business and its stakeholders
* Explain how the Boston matrix can be used to manage a product portfolio
* Evaluate the use of the Boston matrix to a business and its stakeholders
 |
| Price | * Explain the different strategies used by businesses to determine the appropriate price for a product including penetration, skimming, cost plus, competitive, psychological and contribution
* Understand how different types of business organisations in different situations will use different pricing strategies
* Evaluate the importance for a business of selecting the most
* appropriate pricing strategy
* Evaluate the impact of pricing decisions on a business and its stakeholders
 |
| Promotion | * Explain what is meant by promotion
* Explain the different above the line and below the line strategies used by businesses to promote their products
* Understand how different types of business organisations in different situations will use a range of different promotional strategies
* Explain the importance for a business of selecting the most
* appropriate promotional strategy
* Evaluate the impact of selecting the right promotional strategy on a
* business and its stakeholders
 |
| Place | * Explain what is meant by place
* Explain the different distribution channels used by businesses
* Explain what is meant by multi-channel distribution
* Explain the importance for a business of selecting the most
* appropriate distribution channel/s
* Evaluate the impact of selecting the right distribution channel/s on a business and its stakeholders
 |
| Decision about the marketing mix | * Understand the importance of global marketing and global brands
* Explain how the marketing mix will differ in different contexts including, local, national or global markets, goods or services markets, size of business, niche or mass markets and market structure
* Evaluate the marketing mix in different contexts
 |
| New Technology | * Explain how new technology is used in marketing, including the role of digital media, social media, e-tailing and m-commerce
* Explain the impacts of new technology on existing businesses such as high street retailers
* Evaluate the impact of new technology on the marketing activities of businesses and its stakeholders
 |
| **Finance** | * Understand the role of the finance department
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| Budgeting | * Explain what is meant by a budget
* Explain the purpose of budgets
* Evaluate the use of budgets to a business and its stakeholders
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| Business Finance | * Explain the sources of finance available to established and large businesses and consider their appropriateness for different circumstances
* Understand that sources of finance can be internal and/or external
* Explain internal sources of finance including owner’s capital, retained profit and sale of assets
* Explain external sources/methods of finance including overdrafts, loans, share capital, venture capital, leasing, trade credit and debt factoring
* Explain the advantages and disadvantages of different sources of finance to a business and the importance of choosing appropriate sources
* Evaluate the impact of different sources of finance to a business and its stakeholders
 |
| Cashflow forecasting | * Explain what is meant by cash flow
* Explain what is meant by a cash flow forecast
* Construct, calculate and interpret cash flow forecasts
* Evaluate the impact of a cash flow forecast on a business and its stakeholders
* Explain the causes of cash flow problems
* Explain strategies by which a business can improve cash flow
* Evaluate the strategies a business uses to improve cash flow
* problems
* Explain the benefits and limitations of cash flow forecasts
 |
| The income statement | * Explain the main components of a trading, profit and loss account (the income statement) and the way that it is constructed
* Calculate gross profit and net profit
* Evaluate ways in which a business could improve its profit
 |
| Ratio Analysis  | * Calculate and interpret gross and net profit margins
* Evaluate the calculations of profitability ratios to assess the performance of a business
 |
| **People in organisations** | * Explain the functions of the human resource department
 |
| Changes in working practices | * Explain what is meant by the flexible workforce including flexible hours, home working, part time, temporary, job sharing, multiskilling, zero hours contracts and hot-desking
* Explain the impact of new technology on working practices
* Evaluate the impact of changes in working patterns on employees and employers
 |
| Workforce planning | * Explain what is meant by workforce planning
* Evaluate the impact and importance to a business of having the correct numbers of employees with appropriate skills and experience
 |
| Recruitment | * Explain what is meant by the recruitment process
* Explain what is meant by internal and external recruitment
* Explain what is meant by job analysis, job description and person specification
* Evaluate appropriate methods of selecting different types of employee for different types of job including interviews, work trials, testing, selection exercises and telephone interviews
* Evaluate the importance of recruitment to a business and its stakeholders
 |
| Training | * Explain what is meant by training
* Explain the role of training in developing appropriate skills
* Explain the different methods of training including induction, on the-job, off-the-job and apprenticeships
* Evaluate the importance and impact of training for a business and its stakeholders
 |
| Appraisal  | * Explain what is meant by appraisal
* Explain different methods of appraisal including superior’s assessment, peer assessment, self-assessment and 360 degree feedback
* Understand how appraisal can benefit both the business and its employees
* Evaluate the importance and impact of appraisal for a business and its stakeholders
 |
| Workforce performance | * Explain what is meant by workforce performance
* Explain what is meant by labour productivity, absenteeism and labour turnover
* Calculate and interpret labour productivity and labour turnover
* Evaluate the importance and impact of workforce performance for a business and its stakeholders
 |
| Organisation Design | * Explain what is meant by organisational design
* Understand what is meant by authority, responsibility, chain of command, span of control, delegation, hierarchy, centralisation and decentralisation, empowerment and delayering
* Explain the characteristics of different organisational structures including hierarchical (flat and tall) and matrix structures
* Explain the advantages and disadvantages of changing organisational structures and delayering
* Evaluate the choice between empowerment and control of the workforce
* Evaluate the appropriateness of different organisational structures to a business and its stakeholders
 |
| Motivation | * Explain what is meant by motivation and the benefits of a motivated workforce
* Explain motivation theories including F.W.Taylor (scientific
* management), E. Mayo (human relations), A. Maslow (hierarchy of needs), F. Herzberg (two factor theory) and V. Vroom, L.
* Porter and E. Lawler (expectancy theories)
* Evaluate the relevance of motivational theories and their importance to businesses
* Explain financial methods of motivation including piece rate, commission, bonus, salary, profit sharing, share ownership and performance related pay
* Explain non-financial methods of motivation including consultation, job design, job enlargement, job rotation, job enrichment, empowerment, team working and flexible working
* Evaluate the appropriateness of various financial and nonfinancial methods of motivation for a business and its stakeholders
* Evaluate the impact of a motivated workforce on a business and its stakeholders
 |
| Management | * Explain what is meant by management
* Explain the functions and roles of management
* Explain the advantages and disadvantages of management by objectives (MBO)
* Explain D. McGregor’s theory X and theory Y
* Evaluate the importance of management to a business and its stakeholders
* Explain what is meant by leadership
* Explain different types of leadership styles including autocratic, democratic, paternalistic, bureaucratic and laissez-faire
* Explain leadership theories including F. Fiedler (1976) and P. Wright and D. Taylor (1984)
* Evaluate the importance and impact of leadership for a business and its stakeholders
* Evaluate the appropriateness of various leadership styles and theories to different business situations
 |
| Employee/Employer relations | * Explain what is meant by employer/employee relationships
* Explain the duties and rights of employers and employees including contract of employment, health and safety, minimum wage and dismissal
* Explain what is meant by equal opportunities
* Evaluate the impact of equal opportunities on employers and employees
* Explain the role of trade unions including collective bargaining, their advantages and disadvantages
* Explain what is meant by employer and employee conflict including trade disputes and industrial action
* Explain the resolution of disputes including negotiation, consultation and the role of ACAS
* Evaluate the impact of employer/employee relations, conflict and resolution on a business and its stakeholders
 |
| **Operations Management** | * Understand the nature of operations management in different types of business organisation
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| Added Value | * Explain what is meant by added value
* Calculate added value
* Explain ways of increasing value added
* Evaluate the importance of added value to a business and its stakeholders
 |
| Production | * Explain the different methods of production including job, batch and flow
* Evaluate appropriate methods of production for businesses
 |
| Productivity | * Explain what is meant by productivity
* Understand ways of measuring productivity
* Explain ways in which productivity can be increased
* Evaluate the importance and impact of productivity for a business and its stakeholders
* Explain the concept of capacity utilisation
* Calculate and interpret capacity utilisation
* Evaluate the concept of capacity utilisation for a business and its stakeholders
 |
| Technology | * Explain how new technology can be used by businesses, including the use of information technology, CAD, CAM and robotics
* Evaluate the impact of new technology on the various
* stakeholders of a business
* Evaluate the importance and impact of technology in the operations of a business
 |
| Lean Production | * Explain what is meant by lean production
* Explain the range of lean production practices that are used to reduce waste and improve productivity including *kaizen* (continuous improvement), just-in-time, cell production and time based management
* Evaluate the importance and impact of lean production for businesses and their stakeholders
 |
| Quality | * Explain what is meant by quality
* Analyse the importance of quality to a business
* Explain the difference between quality control and quality assurance
* Explain the concept of total quality management (TQM) and the ways that it can be achieved including quality chains, empowerment, monitoring, teamwork, zero defects, quality circles and benchmarking
* Evaluate the importance of quality for a business and its stakeholders
 |
| Purchasing  | * Explain the importance of purchasing and working with suppliers
* Explain what is meant by stock control
* Understand the importance of controlling stock
* Explain methods of stock control including traditional stock control methods, just-in-time and computerised stock control
* Interpret stock control diagrams and explain the main
* components including re-order level, lead time, buffer stock and minimum stock level
* Evaluate the importance and impact on businesses and their stakeholders of holding too much or too little stock
 |
| Research and Development | * Explain what is meant by innovation, research and development
* Explain the process of product design and development
* Evaluate the costs and benefits of innovation, research and development for a business and its stakeholders
 |
| Economies of scale | * Explain what is meant by economies of scale
* Explain the different types of internal economies of scale
* Explain external economies of scale
* Explain how businesses benefit from the different types of internal and external economies of scale
* Explain reasons for internal diseconomies of scale
* Explain the problems caused by internal diseconomies of scale
* Explain the survival of small firms
* Evaluate the impact of economies and diseconomies of scale on a business and its stakeholders
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