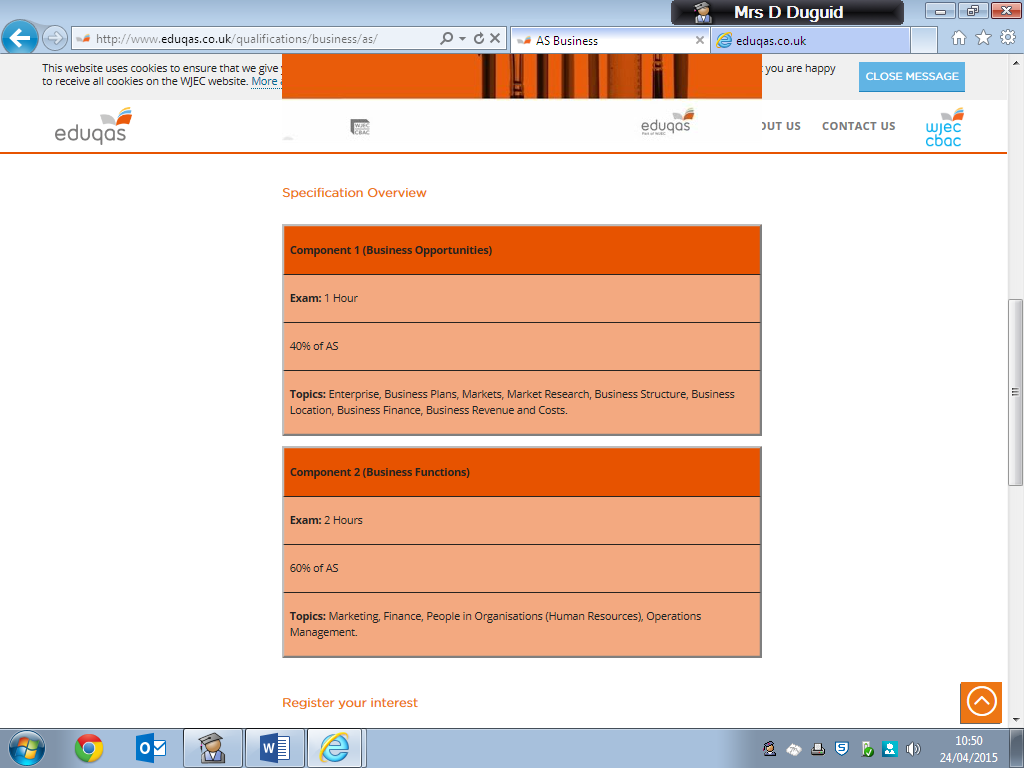
**AS Business WJEC 2015**

**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 |
| 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 |

**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. |
| 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 |
| Budgeting | * Explain what is meant by a budget * Explain the purpose of budgets * Evaluate the use of budgets to a business and its stakeholders |
| 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 |
| 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 |