

Progression to Post-16 Study in A Level Business



Course Outline

The business course has four themes. They are:

- **Marketing and people** – This theme enables you to understand how businesses identify opportunities and to explore how businesses focus on developing a competitive advantage through interacting with customers. You will develop an understanding of how businesses need to adapt their marketing to operate in a dynamic business environment. This theme also considers people, exploring how businesses recruit, train, organise and motivate employees, as well as the role of enterprising individuals and leaders. You must investigate different types and sizes of organisation in various business sectors and environments, and in local, national and global contexts.
- **Managing business activities** – This theme enables you to develop an understanding of raising and managing finance, and measuring business performance. The theme outlines the importance of using resources efficiently within a business to ensure that goods or services can be delivered effectively and efficiently, and to a high quality. You also consider the external influences that have an impact on businesses, including economic and legal factors. You must investigate different types and sizes of organisation in various business sectors and environments, and in local, national and global contexts.
- **Business decisions and strategy** – This theme moves from functions to strategy, enabling you to develop your understanding of the core concepts and to take a strategic view of business opportunities and issues. You analyse corporate objectives and strategy against financial and non-financial performance measures and how businesses grow, and develop an understanding of the impact of external influences. The theme covers the causes and effects of change and how businesses mitigate risk and uncertainty. You must investigate different types and sizes of organisation in various business sectors and environments, and in local, national and global contexts.
- **Global business** – This theme moves from functions to strategy, enabling you to develop your understanding of the core concepts and to take a strategic view of business opportunities and issues. You analyse corporate objectives and strategy against financial and non-financial performance measures and how businesses grow, and develop an understanding of the impact of external influences. The theme covers the causes and effects of change and how businesses mitigate risk and uncertainty. You must investigate different types and sizes of organisation in various business sectors and environments, and in local, national and global contexts.

Recommended Resources

<https://www.bbc.co.uk/bitesize/subjects/zpsvr82> - the business area of BBC bitesize. Whilst aimed at GCSE, this will also provide useful information on many areas, especially if you did not do GCSE

www.tutor2u.net – website which includes a Business area. Full of blog posts, resources and definitions

www.beebusinessbee.co.uk/ - a website specifically for BTEC Business courses

<https://www.bbc.co.uk/news/business> - the business area of the BBC news site for unbiased up to date news on the economy, businesses and money

<https://www.economicshelp.org/> - a website to help with the economic aspects of the business course

<https://businesscasestudies.co.uk/> - a website with detailed information about some businesses related to specific areas of business theory

Various revision guides

YouTube has some great videos. I'd recommend looking for the following first:

- Tutor2u
- Two teachers
- Taking the biz
- Bizconsesh
- Time2resources

It is expected that you will complete the transition work included and bring with you to your first lesson.

Preparatory Activities

Activity 1: Global Brands Quiz

Below are the some of the top 30 most valuable global brands in 2019 according to Inter brand. However they are not in the correct order.

TASK: Put the brands in the correct order from most valuable to least in the table below.

1	2	3	4	5
6	7	8	9	10
11	12	13	14	15

Activity**Enterprise**

To have a successful business you need 4 factors of production: land, labour and enterprise. An entrepreneur is a person who can organise these four factors of production whilst taking risks.

Use the suggested weblinks, plus youtube videos and your own knowledge to complete the following task:

- What are the key characteristics and skills an entrepreneur will need to be successful?
- Select TWO entrepreneurs, e.g. Anita Roddick, Clive Sinclair, Jamie Oliver, Alan Sugar, Steve Jobs
- For EACH one
 - explain what business they set up, assuming I have never heard of them
 - how they demonstrated the characteristics and skills of an entrepreneur
 - when they have failed, and how they overcame this
 - evidence that they are successful
 - any else that you think is interesting or relevant

Demand and Supply theory

Demand Theory

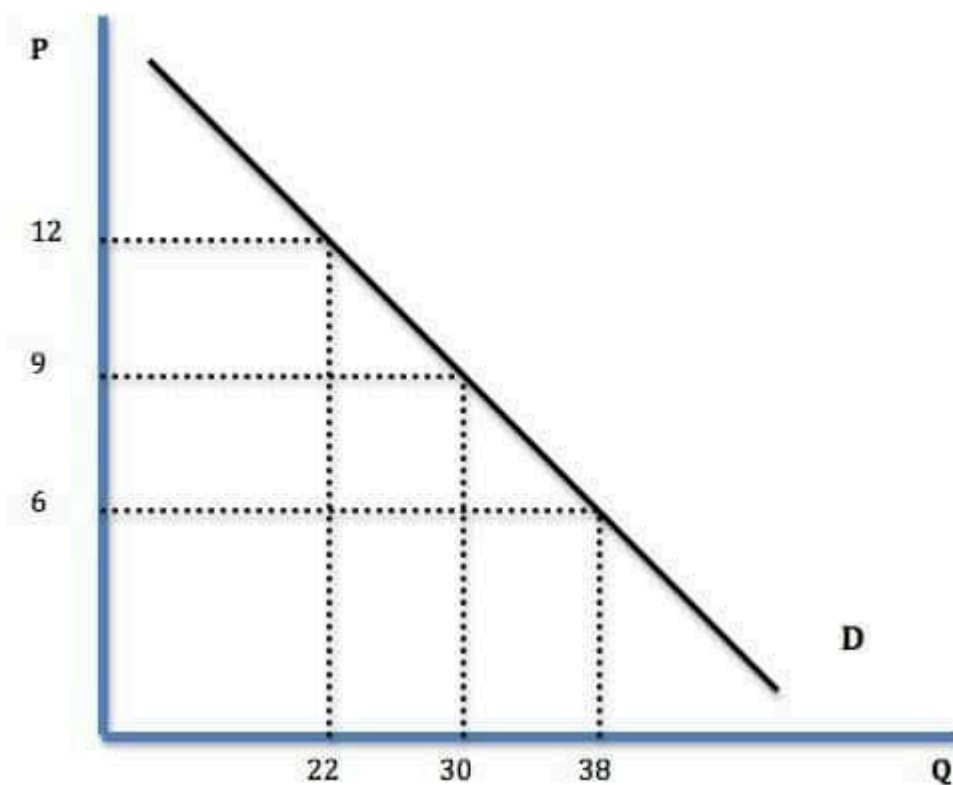
Use tutor2u and this video <https://www.youtube.com/watch?v=YuV9RRqahVY> to complete the following tasks.

Demand is the amount that consumers are

The demand curve shows the relationship between the at any given price over a period of time.

The law of demand states that as price increases..... and as price decreases.....

This is represented as a line (or curve) on a diagram.

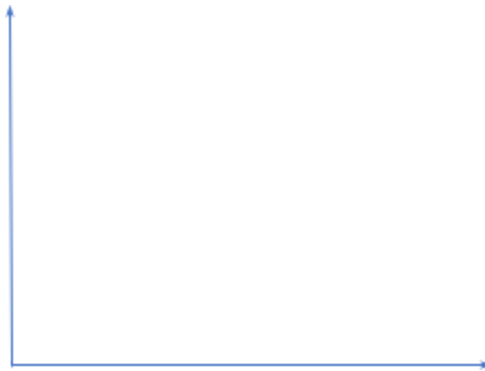


In the example above if the initial price was £9, demand is 30 units. Using this diagram, explain what is meant by a contraction and an extension in demand in the box below.

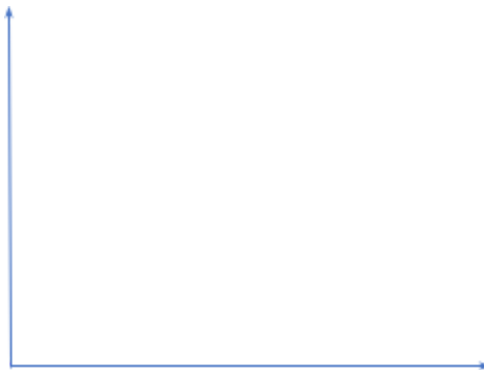
Changes in Demand

Factors other than price changing can shift the demand curve. The demand curve can move to the left, known as an increase in demand, or to the right, known as a decrease in demand.

1. Draw and label the impact on Price and Quantity demanded of a shift to the left, i.e. a decrease in demand at all prices



2. Draw and label the impact on Price and Quantity demanded of a shift to the right, i.e. an increase in demand at all prices



Causes of these changes, are usually factors outside the business's control. These are also referred to as **external factors**. This is a term you will come across a lot in your study of business.

3. What external factors could cause a shift in demand?
 - **Income** – a rise in income, can cause consumers to have more money to spend, therefore causing them to demand more of some goods
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4. Sometimes demand for one product can affect the demand for another. Define and give examples of the following:

Type of demand	Definition	Example
Derived demand		
Joint demand		
Composite demand		

Elasticity of Demand

For your course you need to understand to *what degree* changes in price, consumer incomes and the price of other goods, affect the demand for a specific product. You will not need to be able to calculate the elasticity, just understand the theory. (Be grateful for this!)

The demand for some goods, is very responsive to price, whereas for other goods changes in price do not affect the demand. This is known as the **Price elasticity of demand**, or **PED**. This video [here](#), will help you to understand the concept.

1. Complete the following table

PED	For a price increase, total revenue.....	For a price decrease, total revenue	Examples of goods that respond in this way
Elastic			
Inelastic			

Responsiveness to changes in consumer incomes is known as **Income elasticity of demand** or **YED**. This [VIDEO](#) can help to explain this topic.

2. Complete the following table

Type of good	Definition / type of elasticity	Impact of a RISE in consumer income	Examples of goods
Luxury			
Normal			
Inferior			

The final type of elasticity you need to understand is known as **Cross Elasticity of Demand** or **XED**. This is where a change in the price of one good, affects the quantity demanded of another. Watch this [VIDEO](#) and complete the table.

Type of good	Definition / type of elasticity	Impact of a RISE in the price of an alternative product	Examples of goods
Complementary			
Substitute			

Application Exercise

When answering these, there may not be a simple answer. At this level you will need to consider more than just one factor.

1. Read this article: <https://www.bbc.co.uk/news/business-52508010>. Clearly the demand for cars has fallen due to the pandemic. What other markets could be affected by this fall in demand?
2. Using your knowledge and understanding, explain what has happened to demand for online shopping services, such as Amazon during the pandemic and why.
3. Like myself ☹ many people have had or will have overseas holidays cancelled. Analyse how this could affect the demand for other goods and services.
4. Many staff have been furloughed or even lost their jobs. Analyse the impact of this on the demand for goods and services.

Supply Theory

Whilst demand is all about the impact of price and quantity from the consumers point of view, supply is about price and quantity from the business's point of view.

1. This [VIDEO](#) will introduce you to supply theory. Watch this and complete the gaps below:

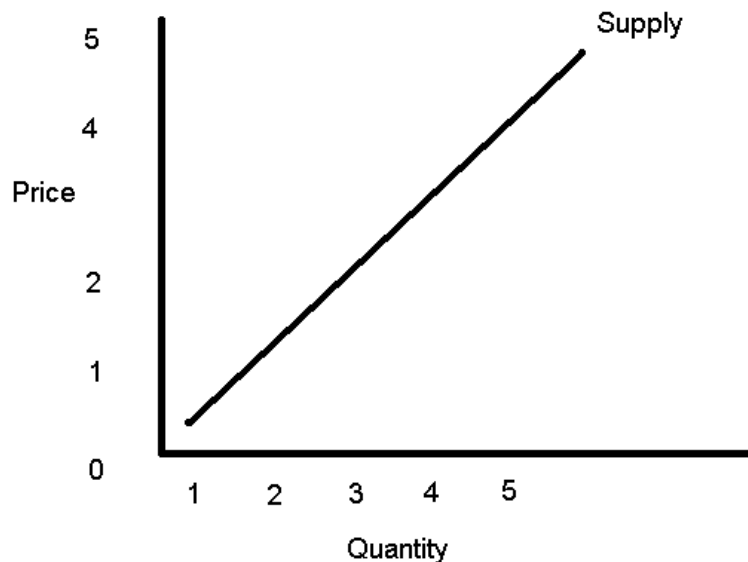
Supply is the amount that producers are

The supply curve shows the relationship between the at any given price over a period of time.

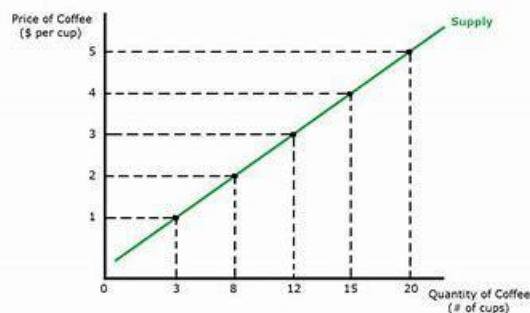
The law of supply states that as price increases..... and as price decreases.....

This is represented as a line (or curve) on a diagram.

Supply Curve for Pizza



As in demand theory, a movement *along* the supply curve is caused by a change in price, and referred to as a contraction or expansion of supply.



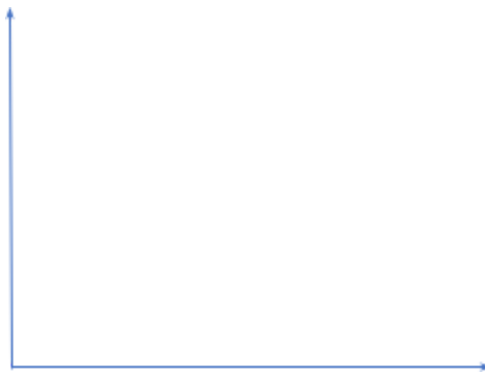
2. Using the diagram above, explain and give an example of a contraction and expansion of supply.

3. Why does this expansion and contraction happen?

Changes in Supply

Factors other than price changing can shift the supply curve.

1. Draw and label the impact on Price and Quantity demanded of a shift to the left, i.e. a decrease in supply at all prices



2. Draw and label the impact on Price and Quantity demanded of a shift to the right, i.e. an increase in supply at all prices



3. What external factors could cause a shift in supply?
 - **Change in costs, e.g. of raw materials** – an increase in the costs of a business, for example the minimum wage increasing, can lead to an increase in the total costs. For some businesses this may mean that it is unprofitable to produce, and so they leave the market
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4. Define and provide examples of the following types of supply

Type of supply	Definition	Example
Joint supply		
Composite supply		
Competitive supply		

Price elasticity of supply

Price elasticity of supply, or **PES**, shows how responsive a business is in the levels of output to a change in the price of goods.

A good that has elastic PES is one where a change in the price will cause a large percentage change in the quantity supplied.

1. What is an inelastic PES?
2. What factors can affect the level of PES?
3. How can a business improve their PES, i.e. become more responsive to changes in the price of goods?

Application Questions

1. Read this news article from the BBC:
<https://www.bbc.co.uk/news/business-52543650>. How does this illustrate the impact of changing price on supply?
2. Read this [blog](#) and the links. What factors are affecting the elasticity of supply in this case?