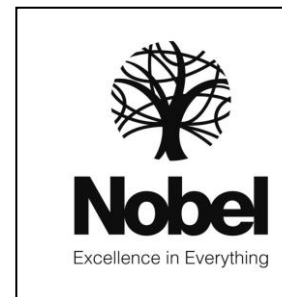


Business A Level Summer Task

Mr Swendell and Miss Petoshi

The Nobel School



Welcome to our Business A-Level course. This course is 2 years and is designed to develop your insight into the world of Business. You will be assessed via 3 examinations at the end of year 13 that will test you on the following 4 themes you will study:

Theme 1: Marketing and people	Theme 2: Managing business activities
Students will develop an understanding of: <ul style="list-style-type: none">• meeting customer needs• the market• marketing mix and strategy• managing people• entrepreneurs and leaders.	Students will develop an understanding of: <ul style="list-style-type: none">• raising finance• financial planning• managing finance• resource management• external influences.
Theme 3: Business decisions and strategy	Theme 4: Global business
This theme develops the concepts introduced in Theme 2. Students will develop an understanding of: <ul style="list-style-type: none">• business objectives and strategy• business growth• decision-making techniques• influences on business decisions• assessing competitiveness• managing change.	This theme develops the concepts introduced in Theme 1. Students will develop an understanding of: <ul style="list-style-type: none">• globalisation• global markets and business expansion• global marketing• global industries and companies (multinational corporations).

Business A Level is designed to build upon a lot of knowledge you may have gained at GCSE, although previously studying GCSE is not essential, it is certainly helpful. For those who have no prior Business knowledge, please do not worry. You will need to complete some additional reading and preparation to help you pick up on a range of key words and business concepts but I'm sure you're up for the challenge.

I hope all of you are prepared for an exciting couple of years. A Levels are challenging but incredibly rewarding and enjoyable, narrowing down on your specific interests that lead you to the next steps in life.

Be prepared to put in lots of hard work but to also have fun, mature and find your niche and direction to help you pursue whatever path life takes you on!

PS: Any issues with your induction assignment or other queries, please email us on:

paola.petoshi@nobel.herts.sch.uk or Carl.swendell@nobel.herts.sch.uk

Starter Activity

Look at the following table – match the products to the businesses. Some of these will be familiar – some not!

Business and their products and services

Business	Product
Tesco	Jaguar cars
Apple	Software for computers
Nike	Food clothes TVs bikes
Microsoft	Food and groceries
Sainsbury's	Chocolate and drinks
Iceland	Sprite and Fanta Orange
Cadbury	Tablets and mobile phones
Nestle	Music flights and holidays
McDonalds	Training shoes and clothing
Virgin	Chocolate ice cream and milk shake drinks
Ford	Frozen food
Marks and Spencer	Fast food
Coca cola	High quality food clothes for men and women and furniture.

Select one of these businesses and bullet point 3 other things that they do:

-
-
-

Starting a Business

In order to understand how a business works we have to examine the ownership of the business. There are 2 main types of business ownership:

- ❖ Sole Trader
- ❖ Partnership

Sole trader – A New Beginning

Having worked for other people for all of your life and being told what to do, you decide it is time to work for yourself – to be your own boss. You are tired of taking orders from other people and you know that you are worth more financially. You want to be a **sole trader**.

You are now ready to become your own boss, taking responsibility for all of the key decisions in the business. These decisions are going to be listed in your business plan. The business plan is your map to success and it will be used to convince people that your business is going to be a success.

Task 1: Imagine you decide to set up a new restaurant. Prepare a brief plan for this new business venture. Your first 4 decisions will be as follows:

What type of restaurant are you going to run?

What type of food are you going to sell (prepare five different dishes of your choice)?

What time are you opening and closing and what days?

Who are your main customers (your target audience)?

- *Describe the demographics of your customers (age, gender, income, religion etc.).*

... This is easy! No stress, no arguments, no fuss! That evening you go out to celebrate your first day's work. You meet your friends Freya and Mason. They used to have their own business until things went wrong. You decide to ask them why things went wrong. Mason smiles and Freya says '**Unlimited Liability**'that's what went wrong!

Not wanting to look stupid you decide to call it an early night and you head home. As soon as you get home, you log onto your computer to find out what 'Unlimited Liability' means. You know it isn't going to be good.

Task 2 Consider the meaning of each word 'Unlimited' and Liability'. Write down what you think this might mean.

Unlimited

Liability

You think you've established a clear business idea and are ready to get up and running. However, a local councillor has turned up with a registration form. You need to fill it in.

Task 3 Why do the local council need you to do this? Can you think of a few reasons?

Task 4 Explain what appeals most to you about being a sole trader.

Partnership – The Next Step

Shortly after opening your restaurant you realise that you are losing money fast! Your unlimited liability means that you could lose not only your business but also your personal belongings. One evening you notice an advert in the local paper.

WANTED

PartnerforNewBusiness
adventure in Welwyn

Musthaveexperienceof
catering and working in a
restaurant.

If interested write to Harry
Smith
Or call 866542

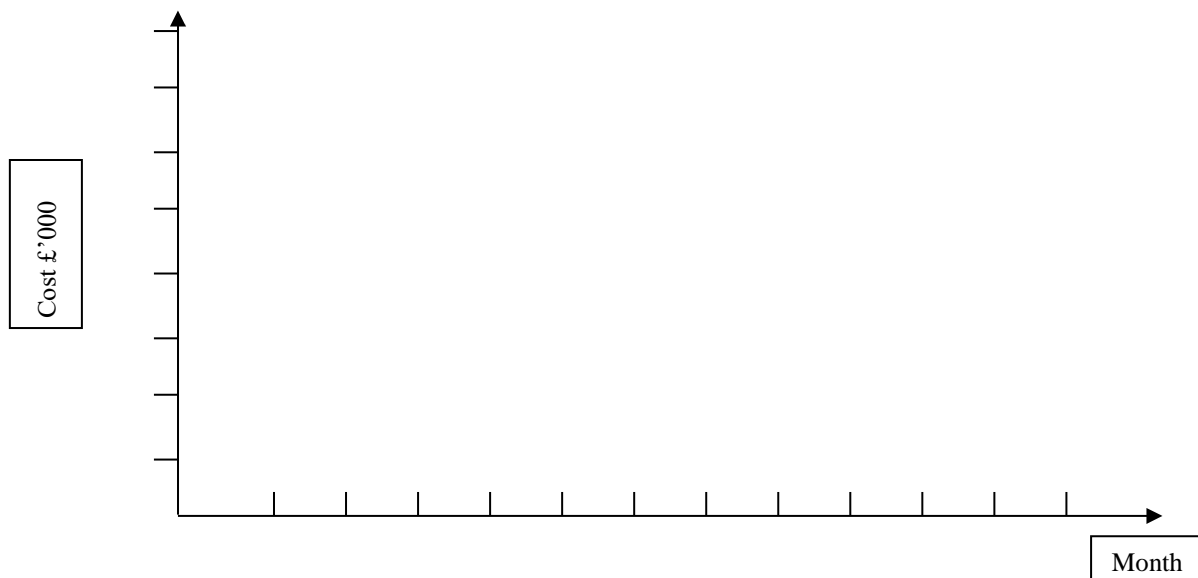
Good prospects!

After speaking to Harry you find out that he has also been finding it difficult to get make his Business work.

You arrange to meet Harry and discuss the figures for the new Business.

Month	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Costs	8500	7500	6000	5500	4250	4000	3950					
Revenue	7775	7775	8000	9250	9250	9250	9250					
Profit												

(a) Plot the costs of the business on the graph below up to December.



(b) By the end of December your new restaurant with Harry is working at full capacity. If you want to continue to grow you will need to take on more customers. What might this mean for your business from January onwards?

The formula for profit is: $\text{sales revenue} - \text{total costs}$

(c) Using this information, calculate the profit (or loss) for Harry's business for each of his first 7 months. Fill in your answers on the table on the previous page.

Calculating Gross Profit

GROSS PROFIT = SALES REVENUE – COSTS OF SALES

Your restaurant is reviewing all the different types of meals that you sell. You currently have 9 different meals but you want to **reduce this to 6** to save costs.

Meal 1

Sales are £5000.
The cost of ingredients is £2000

Meal 2

This meal sells for £12.00
1000 meals are expected to be sold and the cost of each meal is £8.

Meal 3

Sales are £8000 and the cost of the ingredients are £4 per meal – they have sold 1500 of this

Meal 4

Sales are £7000. The cost of the ingredients is £4500.

Meal 5

The ingredients cost £3000 and there is an additional cost of preparation of £1500.
Sales are expected to total £5000.

Meal 6

This meal sells for £15. You expect to have 600 orders.
The total cost of this meal is £6500.

Meal 7

This meal sells for £10. It is very popular and orders are expected to reach 1000.
Each meal costs £5 to make.

Meal 8

This meal is called surf and turf and involves fish and steak. It sells for £15. Orders are expected to be high at 700 and the cost of the

Meal 9

This meal is £13.50 per head. The cost of ingredients is £10. They expect to sell 300.

(d) Calculate what the 6 most profitable meals are and list the numbers here:

(e) What other factors might your restaurant consider other than making a profit?

- (f) Based on the information we have looked at, how do you think operating as a partnership would benefit both you and Harry?

Markets and Competition

Who are the competitors to the following brands?



How have McDonalds differentiated themselves in the marketplace against competitors such as KFC?

-
-
-

In your own words, explain why it is important for a business to differentiate themselves from others?

Stakeholders

Stakeholders are defined as anyone who has an interest in the business.

List some examples of stakeholders below for ASDA Stevenage:

-
-
-
-
-



Discuss the relationship between an employee and customer:

How might the local community influence ASDA in Stevenage?