

# VCERT Business

<b>Specification</b>
<p><b>Unit 1 – Introduction to Business and Enterprise</b></p> <p>Identify characteristics of the different business types            Identify three different types of local businesses            Describe what each business is about            Describe the skills and characteristics of an entrepreneur            Identify three different entrepreneurs including at least one based locally            Compare the enterprise skills and characteristics of an entrepreneur            Research the target market of each entrepreneur/business            Describe three possible risks for a new business or enterprise            Describe three possible rewards for a new business or enterprise            Define what a project is            Investigate three different project ideas            Explain the importance of a project plan            Explain what must be included in a project plan</p>
<p><b>Unit 2 - Marketing</b></p> <p>Describe the aspects of marketing            Explain why business or enterprise needs marketing            Identify the various target markets for an organisation            Compare the different needs of the target markets for an organisation            Describe how an organisation would research their target market            Explain the marketing mix            Explain the impact of social media and the internet on promotion            Evaluate the effectiveness of different marketing methods</p>
<p><b>Unit 3 – Finance</b></p> <p>Research different sources of funding            Identify and explain a minimum of 3 different sources of funding for a new business or enterprise.            Compare the different sources of funding identifying the positive and negative points of each            Describe the differences between fixed and variable costs            Produce a cash flow and budget forecast            Create a profit and loss account            Explain the breakeven point            Assess the impact of an increase or decrease in sales on cash flow, profit and loss, or the breakeven point.            Research the current guidelines regarding tax, national insurance, and value added tax liabilities.            Describe the importance of keeping up to date financial records</p>
<p><b>Unit 4 – Plan and develop a project</b></p> <p>Select an appropriate project            Identify aims and objectives of the project            Conduct appropriate market research for your project            Assess findings against the aims and objectives            Develop a project plan            Make reference to aims and objectives            Make reference to summary of research            Make reference to marketing plan            Make reference to financial plan            Make reference to production and service plan            Make reference to the balance of potential risks against potential rewards            Participate in a project as planned            Demonstrate effective communication skills            Demonstrate effective working relationships with others            Evaluate the success of the project against the aims and objectives            Assess the strengths and areas for development for your contribution to the project</p>

# GCSE Business Year 10

Topic	Content
Purpose of business Reasons for starting a business	Reasons for starting a business include: producing goods, supplying services, distributing products, fulfilling a business opportunity and providing a good or service to benefit others.
Basic functions and types of business	Characteristics of an entrepreneur include being hard working, innovative, organised and willing to take a risk.
Business enterprise and entrepreneurship	Objectives of an entrepreneur include being their own boss, flexible working hours, to pursue an interest, earn more money, identify a gap in the market and dissatisfaction with current job.
Dynamic nature of business	Changes in business environment include changes in technology, economic situation, legislation and environmental expectations.
Sole traders & Partnerships	Benefits and drawbacks of each legal structure include issues such as management and control, sources of finance available, liability and distribution of profits.
Private limited companies (Ltd)	Benefits and drawbacks of Ltds. Recommendation of suitable ownership for a range of businesses.
Public limited companies (Plc)	Benefits and drawbacks of Plcs. Recommendation of suitable ownership for a range of businesses.
Not-for-profit organisations	Including new start-up businesses and large established businesses.
What are business aims and objectives? Purpose of setting objectives Role of objectives in running a business	The main aims and objectives for businesses include survival, profit maximisation, growth (domestic and international), market share, customer satisfaction, social and ethical objectives and shareholder value.
Changing objectives	Reasons for differing objectives include the size of the business, level of competition faced and type of business (not-for-profit organisations). Students should consider how the objectives of larger more established businesses might differ from smaller start-up businesses, eg becoming the dominant business in the market, international expansion, increasing shareholder value and ethical and environmental considerations.
Use of objectives in judging success	Understand the success of a business can be measured in other ways than profit.
Main stakeholders of businesses Objectives of stakeholders	Stakeholders of a business including owners, employees, customers, local community and suppliers. Main objectives including maximising pay for workers, minimising environmental impact on local community and high dividend payments for owners.
Impact of business activity on stakeholders	Understand the impact and influence stakeholders have on businesses and their objectives and how businesses may face conflict between stakeholders

Impact and influence stakeholders have on businesses	
Factors influencing the location decision of a business	Factors that influence where a business is located include proximity to the market, availability of raw materials, labour, competition and costs.
The purpose of business planning The main sections within a business plan	Reasons include importance in setting up a new business, raising finance, setting objectives and detailing how functions of a business will be organised.
Basic financial terms	Understand the difference between variable costs, fixed costs and total costs
Basic financial calculations	Understand the concept of revenue, costs, profit and loss.
Methods of expansion	Methods used by businesses when expanding include organic growth through franchising, opening new stores and expanding through e-commerce, outsourcing and external growth through mergers and takeovers.
Benefits and drawbacks of expansion Economies of scale	Economies of scale include purchasing and technical economies of scale.
Diseconomies of scale	Diseconomies of scale occur due to poor communication, coordination issues and reduced staff motivation.
Impact of the changing use of ICT	Impact of the changing use of ICT and how it influences business activity
E-commerce	E-commerce to reach wider markets
Digital communication	Students are expected to know relevant examples of digital technology/ communication.
Ethical considerations	Ethical behaviour requires businesses to act in ways that stakeholders consider to be both fair and honest.
Environmental considerations	Environmental considerations include impact on traffic congestion, recycling, disposing of waste and noise and air pollution.
Sustainability	Sustainability issues include global warming and the use of scarce resources.
Interest rates	An understanding of how fluctuating interest rates can affect businesses that rely on overdrafts and loans for finance.  Economic theory relating to how/why interest rates change is not required.

Level of employment	Students should be able to identify how and why businesses might be affected by changes in levels of employment.
Consumer spending	Students should be able to discuss how demand for products and services may change as incomes fluctuate
How UK businesses compete internationally	Methods include better designs and higher quality products at lower prices.
Exchange rates	Students will not be asked to calculate exchange rate conversions.
Employment law	Impacts of legislation on the business include costs, training needs, recruitment requirements. Employment law including: <ul style="list-style-type: none"> <li>• National minimum wage/living wage</li> <li>• The Equality Act (2010).</li> </ul>
Health and Safety law Consumer law	Impacts of legislation on the business include costs, training needs, recruitment requirements. Health and safety law including: the Health and Safety at Work Act (1974). Consumer law including trade descriptions.
Impact on businesses of operating in competitive markets.	Understand the meaning of a market and competition Analyse potential impacts of competition on businesses and identify situations when businesses face minimal or no competition
Uncertainty and risks businesses face	Understand the risks businesses face and the reasons why all businesses face uncertainty. Understand the reason why entrepreneurs embark on running businesses and the activities businesses can undertake to minimise risks.
Organisational structures	Reasons for having internal organisational structures include an understanding of different job roles and responsibilities throughout the business.
Appropriateness of organisational structures	Internal organisational structures, span of control, chain of command, layering and delegation. Why businesses have internal organisational structures, including an understanding of different job roles and responsibilities throughout the business. The impact that having a tall or flat organisational structure has on how a business is managed.
Centralisation and decentralisation	How organisational structure may affect the different ways of communication.
The need for recruitment	Understand the need for recruitment
Methods of recruitment and selection of employees.	Main stages in the recruitment and selection process include an understanding of job analysis, job description, person specification, and selection methods. Benefits include high productivity, high quality output or customer service and staff retention.
Contracts of employment	Understand the difference between part time and full time contracts, job share and zero hour contracts. Understand the benefits of full and part time employment.

Importance of motivation in the workforce	Benefits of a motivated workforce include staff retention and high productivity.
Methods to motivate staff	Financial methods include an understanding of the main methods of payment including salary, wage, commission and profit sharing.  Non-financial methods of motivation include styles of management, importance of training, greater responsibility and fringe benefits.
Importance of training the workforce	Benefits include increased productivity, ability to deal with changes in technology, increased motivation, staff retention, production of high quality goods and good customer service.
Types of training undertaken by businesses	Methods of training include induction training, on the job training and off the job training.

## GCSE Business Year 11

Topic	Content
Methods of production job & flow	
Efficiency in production lean production	
Efficiency in production – just in time (JIT)	
Managing stock <ul style="list-style-type: none"> <li>• just in time (JIT)</li> <li>• just in case (JIC)</li> </ul>	
Factors affecting choice of suppliers	Factors affecting choice of suppliers including: price, quality & reliability.
The effects of procurement and logistics on a business	The effects of procurement and logistics on a business, including: efficiency & lower unit costs
The value of effective supply chain management	The value of effective supply chain management, including: working with suppliers to ensure that key processes are running efficiently and cost effectively, getting goods and services for the best price and value, cutting any waste and unnecessary costs to create a streamlined process and fast production times
Consequences of quality issues	Consequences of quality issues
Methods of maintaining consistent quality: Total quality management (TQM)	Methods of maintaining consistent quality: Total quality management (TQM)

Costs and benefits of maintaining quality	Costs and benefits of maintaining quality: • additional sales • image/reputation • higher price • inspection costs • staff training • product recalls • the provision of services
Methods of good service	Methods of good service: • product knowledge • customer engagement (creating a positive experience for the customer) • post sales services (eg user training, help lines, servicing).
Benefits of good customer service Dangers of poor customer service	Benefits of good customer service, including: increase in customer satisfaction, customer loyalty , increased spend, profitability Dangers of poor customer service, including: dissatisfied customers, poor reputation via word of mouth, and reduction in revenue.
The ways in which advances in ICT have allowed customer services to develop	The ways in which advances in ICT have allowed customer services to develop: website, e-commerce & social media.
The importance of identifying and satisfying customer needs	The importance of identifying and satisfying customer needs
Types of segmentation	Types of segmentation
Purpose of market research	Purpose of market research Collect information about: demand, competition, target market
Methods of market research	Methods of market research to include primary and secondary: •questionnaires • surveys • interviews • focus groups • internet research • printed press eg newspapers.
Use of market research: information that may help decision making	Use of market research: information that may help decision making
Pricing methods	Pricing methods, including: price skimming, price penetration, competitive pricing, loss leader, cost-plus.
The factors that influence pricing decisions	The factors that influence pricing decisions, including: costs, nature of the market, degree of competition • product life cycle.
Product	
Product differentiation	Product differentiation: • unique selling point (USP) • brand image.
The product life cycle	The product life cycle: • research and development • introduction • growth • maturity • decline • extension strategies: • updating packaging • adding more or different features • changing target market • advertising • price reduction.
Product portfolio	Product portfolio
Promotional methods	Promotional methods: • advertising, including: • newspapers • magazines • television • internet • billboards. • PR • sales promotion • point of sales displays • 2 for 1

	offers • free gifts • samples • coupons • competitions. • sponsorship • social media
Promotional methods	Factors influencing the selection of the promotional mix: • finance available • competitor actions • the nature of the product or service • the nature of the market • target market. Reasons for promotion: • inform/remind customers about the product • create or increase sales • create or change the image of the product • persuade customers to buy the product.
Place (the different channels of distribution used by businesses)	Place (the different channels of distribution used by businesses): • retailers • wholesalers • telesales.
e-commerce and m-commerce	
Integrated nature of the marketing mix Using the marketing mix to inform and implement business decisions	Integrated nature of the marketing mix • Using the marketing mix to inform and implement business decisions
Methods businesses use to raise finance	
Appropriateness of sources of finance	
Importance of cash to businesses Difference between cash and profit	Importance of cash to businesses, Interpreting cash flow forecasts, Difference between cash and profit
Interpreting cash flow forecasts	
Basic financial terms Basic financial calculations	Students should be able to: understand the difference between variable costs, fixed costs and total costs, the concept of revenue, costs, profit and loss , the main investment projects that businesses undertake, including investment in new machinery, buildings and vehicles
Average rate of return	B able to calculate the average rate of return for these projects
Break-even	Understand the meaning of the term break-even output and interpret break-even charts , identify the break-even level of output and margin of safety from a break-even chart , evaluate the value of using break-even analysis to a business. Students will not be expected to draw break-even charts or use the break-even formula.
Purpose of financial statements	Students should be able to: • understand the importance of financial statements for assessing business performance and helping make business decisions •
Components of financial statements	identify the main components of the income statement and the statement of financial position • understand the

	difference between assets and liabilities and that the statement of financial position is a snapshot in time •
Interpretation of data given on financial statements	make judgements on the performance of a business through the interpretation of the information contained in income statements • consider current performance, performance against previous years, performance against competitors and performance from the perspective of a range of stakeholders • calculate gross profit margin and net profit margin to help assess financial performance. Students will not be given formulae in an exam.