

A Level Business

- Exam board: **AQA**,
- Specification code: 7131 (AS) 7132 (A Level)
- Exam board pages: <http://www.aqa.org.uk/subjects/business-subjects/as-and-a-level/business-7131-7132>
- Deadline for completion: Friday 8th September

The specification covers 10 main topic areas. Topics 1-6 are covered in the first year and 7-10 in the second year.

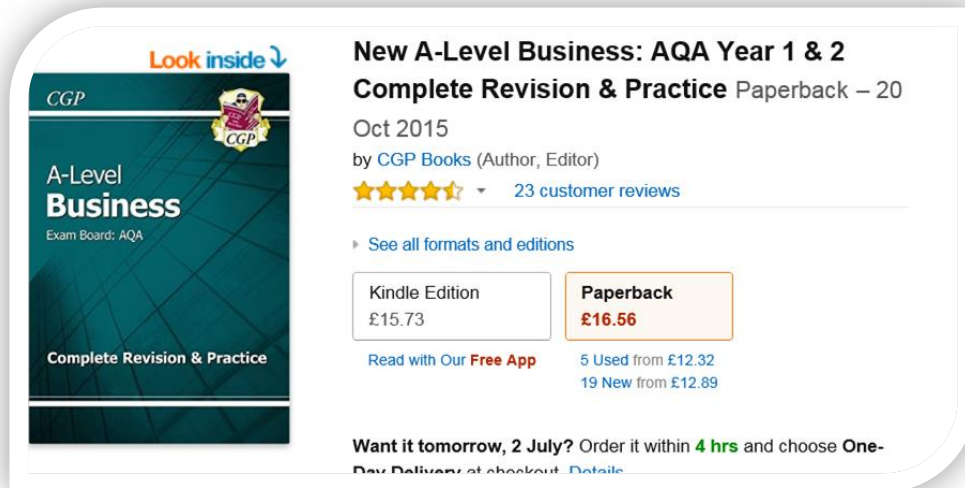
- 1 What is business?
- 2 Managers, leadership and decision making
- 3 Decision making to improve marketing performance
- 4 Decision making to improve operational performance
- 5 Decision making to improve financial performance
- 6 Decision making to improve human resource performance
- 7 Analysing the strategic position of a business
- 8 Choosing strategic direction
- 9 Strategic methods: how to pursue strategies
- 10 Managing strategic change

For this first section 'What is business?' you will be studying

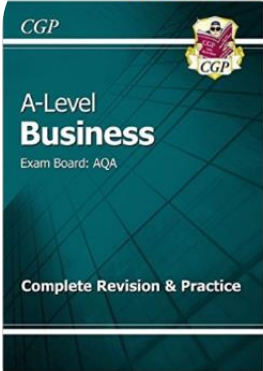
Understanding the nature and purpose of business	
Content	Additional information
Why businesses exist	Business objectives such as profit, growth, survival, cash flow, social and ethical objectives
The relationship between mission and objectives	
Common business objectives	
Why businesses set objectives	
The measurement and importance of profit	The measurement of profit should include:
	• Revenue (also turnover and sales)
	• Fixed costs
	• Variable costs
	• Total costs.

Reading List

We recommend that all students purchase this revision guide. We are able to buy these at a discount and will send letters home with students with ParentPay details to purchase these books through the school.



Look inside ↘



New A-Level Business: AQA Year 1 & 2 Complete Revision & Practice Paperback – 20 Oct 2015
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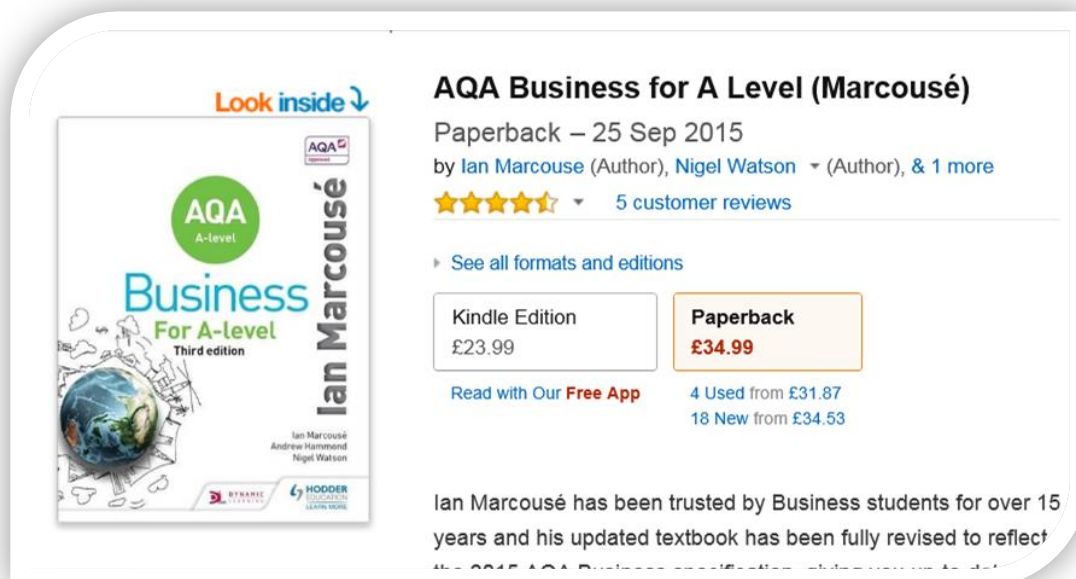
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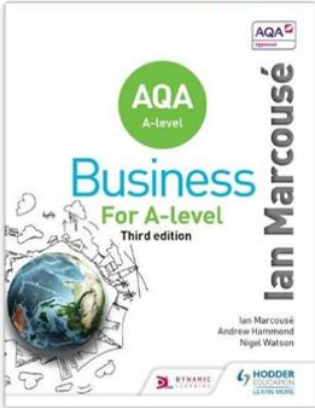
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In the meantime if you wish to purchase a textbook we would recommend any of the AQA recommended books, a full list is here: <http://www.aqa.org.uk/resources/business-subjects/as-and-a-level/business-7131-7132/teach/textbooks>

This textbook is the one that covers both years:



Look inside ↘



AQA Business for A Level (Marcousé) Paperback – 25 Sep 2015
by **Ian Marcousé** (Author), **Nigel Watson** (Author), & 1 more
★★★★★ 5 customer reviews

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Ian Marcousé has been trusted by Business students for over 15 years and his updated textbook has been fully revised to reflect the 2015 AQA Business specification. It is designed to be

Recommended websites to bookmark

The Times 100 Case Studies	http://businesscasestudies.co.uk/	Case studies, lesson plans and theory.
Tutor 2 U	http://www.tutor2u.net/	Blog, Notes, PowerPoint archive, online quizzes
Marketing Teacher	www.marketingteacher.com	Marketing lessons, activities and presentations
Government	https://www.gov.uk/	Useful to find all government web sites including ministries, agencies and local authorities
BBC	www.BBC.co.uk	Up to date info and news stories (try searching for their pages on business, entrepreneurship or the economy)
GCSE Bitesize	http://www.bbc.co.uk/education/subjects/zpsvr82	Revision and good notes for introductory theory
S-cool	www.s-cool.co.uk	A level revision
Business Balls	www.businessballs.com	Lots of free Business Studies materials

Summer tasks

Read the following articles (paying attention to the dates) and then answer the questions



1. Tesco announces record profits

Tesco's profits have risen nearly 18% in the last year. The country's biggest private sector employer, Tesco, has reported record profits. They made full year profits of £1.6 billion pounds, up 17.6%. The final dividend is 4.77 pence up 10%. Tesco is the biggest supermarket chain in the UK with a 27% market share. They're followed by Asda, Sainsbury, Safeway and Morrison.

Source: http://news.bbc.co.uk/1/hi/programmes/working_lunch/3642231.stm **20 April 2004**

2. Tesco has bumper £2.25bn profit

Supermarket giant Tesco has reported an underlying £2.25bn profit for the past year, 17% higher than the year before.

The firm, which has a 30% share of UK supermarket sales, said the results represented "good progress in a more challenging year".

Tesco saw strong sales both in the UK and abroad, with UK sales rising 10.7% and foreign sales increasing by 23%.

Source: <http://news.bbc.co.uk/1/hi/business/4941236.stm> **25 April 2006**

3. Tesco reports sharp fall in sales

Tesco has reported a third consecutive quarter of falling sales as the UK's largest supermarket chain faces increasing competition from rivals.

For the three months to 24 May, the supermarket said like-for-like UK sales including VAT and excluding petrol fell by 3.7%. In April, Tesco reported a 6% fall in group trading annual profit to £3.3bn. It was the second year in which the supermarket reported falling profits.

The BBC's business editor Kamal Ahmed says that internally, Tesco has admitted the fall in sales is its worst performance for 20 years. "Tesco is like a juggernaut with a puncture and a worrying rattle in the engine"

Tesco has faced intense competition from discount rivals including Aldi and Lidl as well as from more upmarket retailers such as Waitrose.

Industry figures continue to show the UK's largest supermarket suffering a decline in its share of the grocery market.

Tesco also confirmed the resignation of its finance director, Laurie McIlwee, after 15 years with the company, following what was believed to have been unrest among investors.

Source: <http://www.bbc.co.uk/news/business-27692397> 4 June 2014

4. Tesco suspends execs as inquiry launched into profit overstatement

Tesco has suspended four executives, including its UK managing director, after the supermarket overstated its half-year profit guidance by £250m. That would be almost a quarter of its expected profit for the period.

It has launched an investigation headed by Deloitte, and says it is now working to establish the impact of the issue on its full-year results.

"Disappointment would be an understatement," said Tesco chief executive Dave Lewis.

Mr Lewis, who only took the helm on 1 September, said it was "a serious issue", but insisted "it doesn't take away from what I'm able to build at Tesco".

The news prompted a plunge in Tesco's share price, which closed 11.6% lower at 203p. Breaking accounting rules to exaggerate profits is a cardinal sin as far as investors are concerned. The scale of the discrepancies which happened in its core UK food retail business poses serious questions on how this important UK company has been run. Questions must also be asked of the former boss Philip Clarke, the entire board of directors and the company's auditors.

Source: <http://www.bbc.co.uk/news/business-29306444> 22 September 2014

5. Tesco posts record £6.4bn annual loss

Tesco has reported the worst results in its history with a record statutory pre-tax loss of £6.4bn for the year to the end of February.

That compares with annual pre-tax profit of £2.26bn a year earlier.

It is the biggest loss suffered by a UK retailer and one of the largest in the country's corporate history.

Around £4.7bn of the losses were the result of the fall in property value of its UK stores, 43 of which it said would close earlier this month.

Source: <http://www.bbc.co.uk/news/business-32408661> 22 April 2015

6. Tesco expands charity food scheme

Tesco, the UK's biggest grocer, is expanding a scheme which gives unsold food to charities from warehouses to include some local stores.

Leftover food from 10 of its UK stores will now also be available to local charities through the UK food redistribution charity Fare Share.

Tesco said of the 55,400 tonnes of food it threw away in the last year, 30,000 tonnes could have been eaten. Most of this is currently used for animal feed.

Tesco has been working with Fare Share to donate surplus food since 2012. Bakery items, fruit and vegetables, and convenience items such as sandwiches and salads make up most of the shop wastage.

Beneficiaries will include homeless hostels, women's refuges and the children's clubs.

Source: <http://www.bbc.co.uk/news/business-33003029> 4 June 2015

7. Tesco puts South Korean business Homeplus up for sale

Tesco has invited six firms to bid for its South Korean business Homeplus, which has been valued at \$6bn (£4bn), media reports say.

The sale is seen as a way of funding Tesco's turnaround plan after last year's accounting scandal.

It is also seen as the best way to cut debt and reverse losses at home.

The sale could be Asia's biggest private equity deal, according to Reuters. It would also be the region's second-largest consumer retail deal ever.

Homeplus is Tesco's largest business outside the UK, with annual revenue of £4.1bn in 2014. It has more than 400 stores, 500 franchise stores and more than six million customers a week.

The sale comes 10 months after Tesco overstated its half-year profits by £263m, while at the same time issuing a profit warning that sent shares plunging to an 11 year low.

That led to an inquiry into accounting practices at the retail giant, which found discovered more accounting irregularities and led to the suspension of several senior executives.

Source: <http://www.bbc.co.uk/news/business-33062206> **9 June 2015**

8. Core Purpose and Values

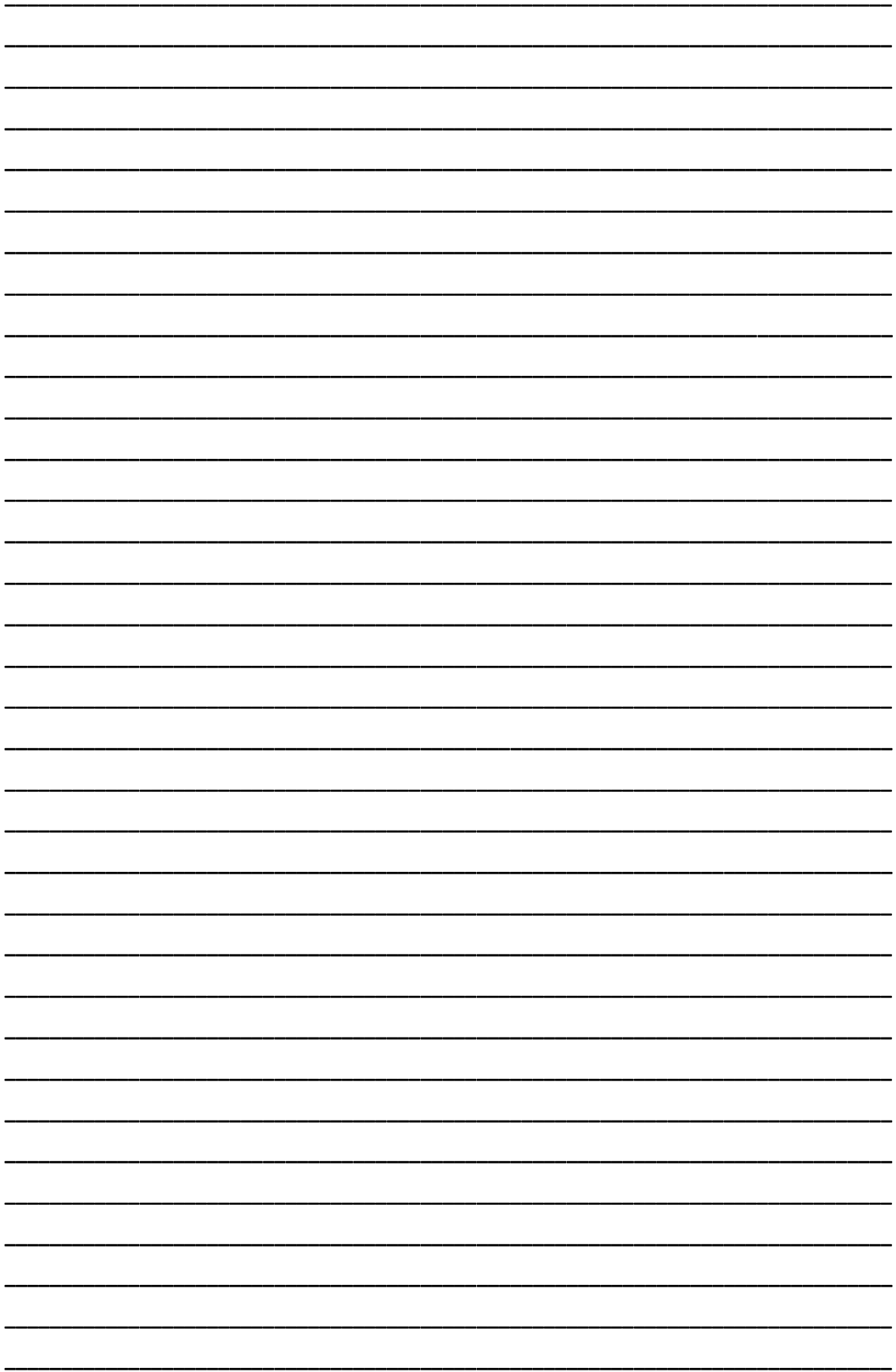
That's why we've chosen 'Serving Britain's shoppers a little better every day' as our new core purpose.

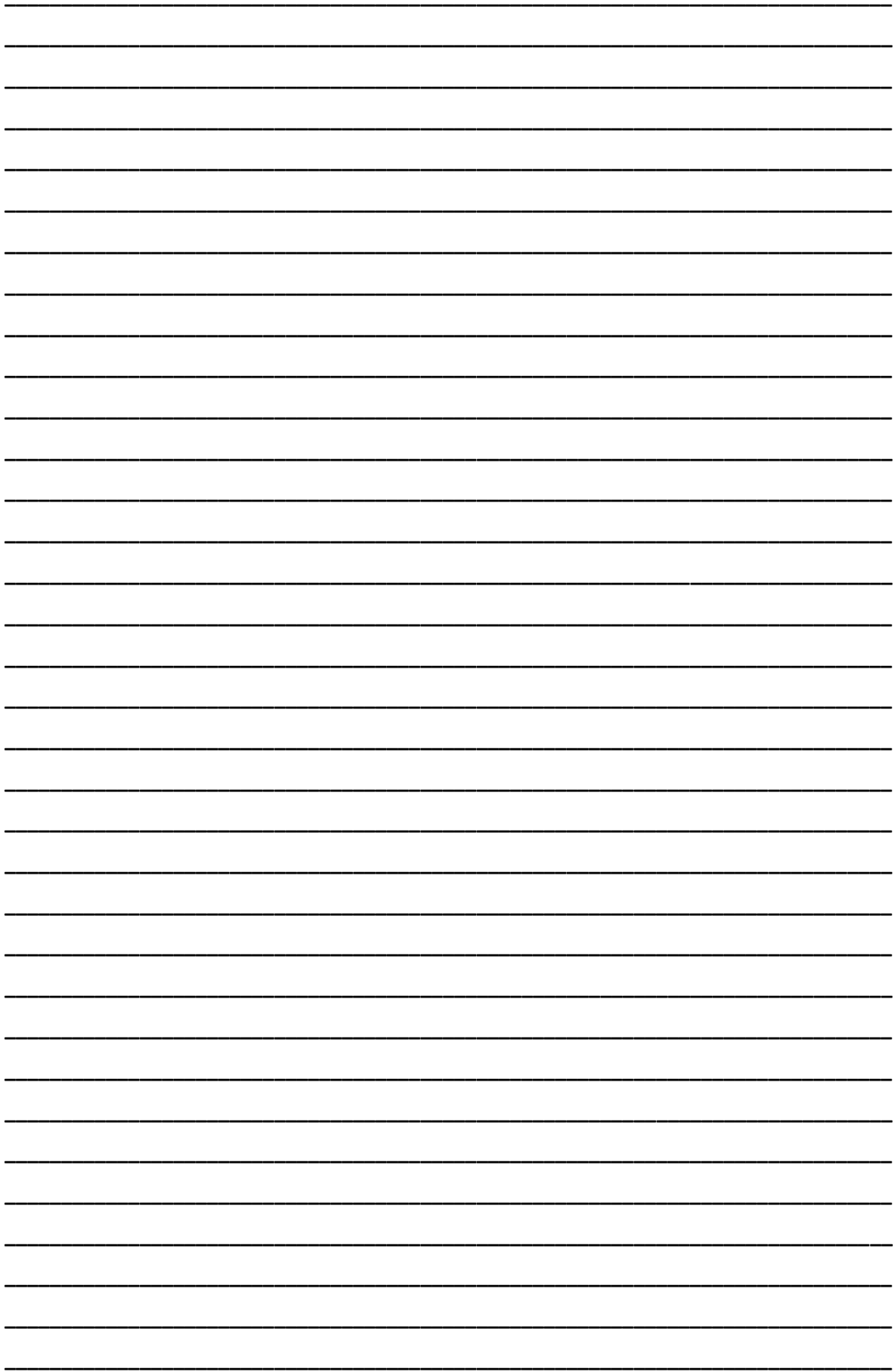
Source: <https://www.tescopl.com/about-us/core-purpose-and-values/> **May 2016**



Questions:

1. What is meant by the term 'market share'? (source 1) **(2 marks)**





— (continue your answer on separate paper if necessary)

How your work is assessed

The four skills that are examined are: Knowledge, application, analysis and evaluation. The latter three are each judged to be *limited, reasonable* or *good*.

Knowledge means showing that you understand and can explain relevant factors. Start longer questions with an introduction and definition of relevant key terms. Use business theory and terminology during your essay.

Application places your answer in context, so that it is relevant and focused. In AS Business Studies the application marks will be awarded by how well you use the evidence in the case study.

Analysis links themes together to build a line of argument. Two or three points, well developed, are much better than several points without development. Look at both points of view and use connectives to build your analysis: 'which means that... therefore... leading to... on the other hand... because... this means... which therefore means...'

Evaluation follows on from your analysis and means making a supported judgment. Your evaluation may depend on different factors, e.g. short-term or long-term and you may rank several issues in order of importance: 'on balance... whilst it may depend on... I believe... because...'

You may need to state an assumption about how you interpret the question title in case it is ambiguous, and you can also critically examine the validity of the sources of information.

Evaluation also assesses the quality of your written communication, including the spelling, grammar and structure of your essays.

To write a good longer answer **planning** is vital. Read the question carefully to make sure you are clear about what is being asked (if you don't understand the question then tell the examiner how you are interpreting it).

Next, jot down a rough outline of the points you are going to make, including the evidence you will use to secure your application marks and your conclusion, before you start writing. Once writing, stick to your plan unless a real piece of inspiration hits you once you've started to write, in which case plan where best to build that in!

Contact

If you have any questions or queries please contact Mrs Hiron-Grimes, Subject Leader, on rhiron@fromecollege.org

We will often be using student email so when you start in year 12 it is vital you check your emails regularly.

If you are on Twitter we recommend you follow these accounts:

@FromeNextSteps – news of Frome College enterprise and employability, also includes news of local businesses and career opportunities.

@Tutor2uBusiness – Lots of relevant Business articles

@BeeBusinessBee – Business studies links

Don't forget to keep watching the news and reading newspapers – there are lots of relevant news stories all the time.

See you in September 😊

