AS and A Level
Business

scheme of work

AS and A level thematic approach

AS and A level Business 2015: scheme of work

Introduction

This document provides a sample scheme of work for co-teaching AS and A level Business that can be adapted by centres to fit their timetabling and staffing arrangements. It is meant as an example approach only and is not intended to be prescriptive.

This scheme of work matches the thematic course planner and broadly follows the order in which the content is set out in the specification. (An A level course planner is provided separately that integrates the themes across the specification and is a suggested approach for those intending not to co-teach the AS level qualification.)

In Theme 3 and Theme 4, connections should be made to the content in Theme 1 and Theme 2 to ensure students build on and develop their knowledge and understanding of core concepts and theories from Theme 1 and Theme 2. This approach supports continuous progression.

For the purposes of this scheme of work, it has been assumed that the centre is teaching Theme 1 at the start of the course, then Theme 2 followed by Theme 3 and then Theme 4. The planner assumes 28 teaching weeks in each year to allow for time taken by other events.

The suggested resources at times are specific but they are intended to demonstrate the type of resources which can be found on the internet. References have not been made to particular textbooks and a separate list of suggested resources will be provided on the subject pages of the Edexcel website.

More recent topical events can be incorporated into the scheme of work and used as examples to illustrate the core content as appropriate. This document can be edited and updated over time to develop a resource bank.

The sample assessment materials can be used for question practice to enable students to build up the confidence and skills as part of their revision and exam practice.

Theme 1: Year 12 Autumn term

| Week | Topic | Content | Suggested activities and resources |
| --- | --- | --- | --- |
| 1 | 1.1 Meeting customer needs | Introduction – what is a market?**1.1.1 The market**Mass markets and niche marketsDynamic markets | Students could research a range of business examples, such as local tradesmen/bakers or national businesses such as Greggs or Tesco, and identify their markets. In small groups they could then be asked to describe market size and market share – combine this with research on recent news regarding the business’s approach to branding.One useful source of information on markets is [www.keynote.com](http://www.keynote.com). Newspaper websites could also be used. You could create a starter activity PowerPoint quiz using well-known brands from the following website: [www.interbrand.com/en/best-global-brands/2013/top-100-list-view.aspx](http://www.interbrand.com/en/best-global-brands/2013/top-100-list-view.aspx)Interesting case studies could include:* ASOS – <http://businesscasestudies.co.uk/asos-com/strategic-growth-in-the-fashion-retail-industry/growth.html#axzz2zv5KAbrb>
* HMV – [www.retail-week.com/technology/hmv-kick-starts-digital-strategy-with-launch-of-innovative-app/5053996.article](http://www.retail-week.com/technology/hmv-kick-starts-digital-strategy-with-launch-of-innovative-app/5053996.article)
* Waterstones – [www.independent.co.uk/arts-entertainment/books/news/waterstones-to-open-its-first-new-store-in-six-years-9270045.html](http://www.independent.co.uk/arts-entertainment/books/news/waterstones-to-open-its-first-new-store-in-six-years-9270045.html)

Students could carry out their own surveys using both open and closed questions to enable them to gather quantitative and qualitative information to determine likely demand for new menus in the school canteen, for school business enterprises or for fund raising/charity events.Government websites are useful secondary sources:* [www.statistics.gov.uk/hub/index.html](http://www.statistics.gov.uk/hub/index.html)
* [www.statisticsauthority.gov.uk/](http://www.statisticsauthority.gov.uk/)

Students could compare the ice cream brands Wall’s, Nestlé and Häagen-Dazs and consider how and why they differentiate their products |
| 2 | **1.1.2 Market research**Product and market orientationMethods of market researchUses and limitations of these methodsMarket segmentation from market research results**1.1.3 Market positioning**How businesses use market research information |
| 3 | 1.2 The market | **1.2.1 Demand**Introduction to the demand curveDiscuss movement along and of the demand curve, and factors influencing this |  |
| 4 | **1.2.2 Supply**Introduction to the supply curveDiscuss movement along and of the supply curve, and factors influencing this**1.2.3 Markets**Combine work in demand and supply to illustrate price determination in a market |  |
| 5 | **1.2.4 Price elasticity of demand (PED)**Calculation of PEDInterpretation of PED and its importance to businesses**1.2.5 Income elasticity of demand (YED)**Calculation of YEDComparison contrast to PEDInterpretation of YED and its importance to businesses | Poundland is an interesting case study to introduce here. Potential articles to use include:* [www.telegraph.co.uk/finance/newsbysector/retailandconsumer/9543609/How-Poundland-makes-its-millions.html](http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/9543609/How-Poundland-makes-its-millions.html)
 |
| 6 | 1.3 Marketing mix and strategy | **1.3.1 Product/service design**Design mix and how this might change**1.3.2 Branding and promotion**Types of brandingBuilding a brand and changes in brandingGeneric versus branded products | A wide range of examples can be used when exploring product and service design.Some suggestions follow.Jaguar Land Rover are world leaders in the use of aluminium for lighter car bodies to help reduce carbon emissions and reduce carbon footprint: * [www.jaguarlandrover.com/gl/en/innovation/world-leaders-in-aluminium/](http://www.jaguarlandrover.com/gl/en/innovation/world-leaders-in-aluminium/)
* [www.jaguarlandrover.com/gl/en/responsible-business/environmental-responsibility/](http://www.jaguarlandrover.com/gl/en/responsible-business/environmental-responsibility/)

Toyota is replacing robots with skilled humans to ensure fewer defects, better quality and less waste:* [www.scdigest.com/ontarget/14-04-08-1.php?cid=7964](http://www.scdigest.com/ontarget/14-04-08-1.php?cid=7964)

Muddy Boots Foods is ensuring traceability for its range of beef burgers by using known suppliers of beef and other ingredients:* [www.thetimes.co.uk/tto/public/smallbusinessmasterclass/article3470030.ece](http://www.thetimes.co.uk/tto/public/smallbusinessmasterclass/article3470030.ece)

Starbucks is an example of a global brand which also makes use of ethical sourcing: * [www.starbucks.co.uk/responsibility/sourcing](http://www.starbucks.co.uk/responsibility/sourcing)
 |
| 7 | **1.3.2 Branding and promotion** Types of promotion |  |
| 8 | **1.3.3 Pricing strategies**Different strategiesChanges in, and factors determining, these strategies | Students could explore case studies for the PlayStation 4:* <http://guardianlv.com/2014/04/playstation-4-not-putting-ps3-on-bargain-rack-yet/>
* [www.computerandvideogames.com/421934/playstation-losses-jump-on-ps4-rd-costs/](http://www.computerandvideogames.com/421934/playstation-losses-jump-on-ps4-rd-costs/)
 |
| 9 | **1.3.4 Distribution**MethodsChanges in channels used**1.3.5 Marketing strategy**The product life cycle and extension strategiesBoston MatrixConsumer behaviourHow the marketing mix changes in response | How promotional methods can be used to postpone the decline of a product’s sales could be explored through a case study on the re-launch of Kellogg’s Nutri-Grain bar:* <http://businesscasestudies.co.uk/kelloggs/extending-the-product-life-cycle/implementing-the-extension-strategy-for-nutri-grain.html#axzz3056fUebX>

Students could consider the position of different Cadbury chocolate confectionery in the Boston Matrix. An advert for the Curly Wurly from the 1970s can be viewed here:* [www.youtube.com/watch?v=ycSq4CnFm8M](http://www.youtube.com/watch?v=ycSq4CnFm8M)
 |
| 10 | 1.4 Managing people | **1.4.1 Approaches to staffing**Individual and collective methods and approaches**1.4.2 Recruitment, selection and training**MethodsCosts and benefits |  |
| 11 | **1.4.3 Organisation design**Key features and terminologyStrengths and weaknesses of different models |  |
| 12 | **1.4.4 Motivation in theory and practice**Importance of motivationMotivation theoriesFinancial and non-financial incentives**1.4.5 Leadership**Management and leadershipTypes/methodsLinks between leadership and motivation |  |
| 13 | 1.5 Entrepreneurs and leaders | **1.5.1 Role of an entrepreneur**What entrepreneurs doProblems and barriers they face**1.5.2 Entrepreneurial motives and characteristics**Characteristics and skillsMotivations for becoming an entrepreneur**1.5.6 Moving from entrepreneur to leader**Challenges | A range of resources can be used to introduce students to how and why entrepreneurs set up businesses.The story of Duncan Bannatyne:* <http://businesscasestudies.co.uk/bannatyne/from-ice-cream-van-to-dragons-den-duncan-bannatyne/introduction.html#axzz2a31GPENm>

The BBC TV series *Dragons Den*:* [www.bbc.co.uk/dragonsden/entrepreneurs/](http://www.bbc.co.uk/dragonsden/entrepreneurs/)

The story of Levi Roots and Reggae Reggae Sauce and Laban Roomes and his Gold Genie business:* [www.leviroots.com/](http://www.leviroots.com/)
* [www.bbc.co.uk/dragonsden/entrepreneurs/labanroomes.shtml](http://www.bbc.co.uk/dragonsden/entrepreneurs/labanroomes.shtml)

The Channel 4 series *Risking it All*: * [www.channel4.com/programmes/risking-it-all/4od](http://www.channel4.com/programmes/risking-it-all/4od)

*High Street Dreams* (Muddy Boots Foods):* [www.youtube.com/watch?v=rjGz-jMJG0U](http://www.youtube.com/watch?v=rjGz-jMJG0U)

Flibberty:* [www.flibberty.com/high-street-dreams](http://www.flibberty.com/high-street-dreams)

The stories of Richard Reed and Innocent Drinks and Michelle Mone and Ultimo – ladies lingerie company. * [www.youtube.com/watch?v=foWMmY3xSuk](http://www.youtube.com/watch?v=foWMmY3xSuk)
 |
| 14 | **1.5.3 Business objectives**Outline and examples of objectives**1.5.4 Forms of business**Legal organisation and featuresThe factors that lead to these forms**1.5.5 Business choices**Opportunity costs, choices and trade offs | Overview:* <http://businesscasestudies.co.uk/business-theory/strategy/business-objectives-planning-and-stakeholders.html#axzz3056fUebX>

Types of business ownership:* <http://wps.prenhall.com/bp_scarborough_essbm_6/138/35450/9075288.cw/index.html>

Franchising:* [www.smallbusiness.co.uk/franchising/?gclid=CNOBi7K8gb4CFUfmwgodiS8AwA](http://www.smallbusiness.co.uk/franchising/?gclid=CNOBi7K8gb4CFUfmwgodiS8AwA)

Lifestyle businesses:* <http://whatis.techtarget.com/definition/lifestyle-business>

Students could research the difference between opportunity costs and trade-offs. |

Theme 2: Year 12 Spring/Summer term

| Week | Topic | Content | Suggested activities and resources |
| --- | --- | --- | --- |
| 1 | 2.1 Raising finance | **2.1.1 Internal finance****2.1.2 External finance**Sources and methods of financeThe distinction between the two**2.1.3 Liability**Legal implicationsFinance implications | You could provide a list of assets that a school would purchase during the course of an academic year. In groups, students could consider which sources/methods of finance are most appropriate for each of the assets they have been provided with. Students then have to justify the reasons behind their chosen method of funding.The secret to making this a good activity is to consider assets where there may be many suitable methods/sources of finance, eg photocopiers. The school business manager/bursar could also take part in this lesson by listening to the students’ suggestions and telling students which source/method of finance the school actually uses to fund the assets and the rationale behind it.Divide a classroom notice board into two, one side entitled ‘limited liability’ and the other ‘unlimited liability’. Then provide students with a range of scenarios on sticky notes. Each scenario should describe a different business. Students then have to decide if the owners are likely to require the protection of limited liability or not. Students then stick their notes on the side of the board which they think is most appropriate.An example of a scenario could be a window cleaning business, since the capital required to set up the business would be low and the chance of damaging a customer’s house would be low, therefore unlimited liability would be accepted by the owners. This could be contrasted with a burger van business which would also require limited amounts of capital at start up, but the potential to give customers food poisoning is such that limited liability would be crucial in providing the owners protection.Scenarios could be produced where the decision of having limited/unlimited liability is debatable and students could be asked to see if any of the sticky notes could be moved to the other side of the board and the reasons why. |
| 2 | **2.1.4 Planning**Business planningCash-flow forecasts (as standalone and part of the business plan)Use and limitations of cash-flow forecasts | A clip from *Dragon’s Den* could be shown with students having to decide whether the entrepreneur will receive the required investment and what percentage of the equity they will have to give up. As the entrepreneur makes their presentation and is able to answer the dragons’ questions, the likely risk faced by them will change, altering the likelihood of receiving the capital injection and the amount of equity that will have to give up. |
| 3 | 2.2 Financial planning | **2.2.1 Sales forecasting**Purpose of sales forecasting factors influencing themDifficulties with forecasting**2.2.2 Sales, revenue and costs**Calculation of sales revenue and volume, and link to sales forecasting data | Students could be given a business scenario and then have to decide which factors could cause sales to increase or decrease and the reasons why. With the UK economy in the recovery phase of the economic cycle, businesses such as Poundland or Aldi could be used to illustrate how changes in economic variables could cause sales to fall. |
| 4 | **2.2.2 Sales, revenue and costs**Calculation of fixed and variable costs**2.2.3 Break-even**Numerical calculationGraphical presentation and interpretationUses and limitations of break-even analysis |  |
| 5 | 2.2 Financial planning2.3 Managing finance | **2.2.4 Budgets**Purpose and types of budgetsVariance analysisDifficulties of budgeting**2.3.1 Profit**Distinction between profit and cash | Students could calculate the variances in the following table by filling in the missing gaps (a) to (c). They then have to decide in the final column if the variances identified are favourable to the business or adverse.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Budgeted performance** | **Actual performance** | **Variance** | **F/A** |
| **Sales revenue** | 80 000 | 115 500 | (a) |  |
| **Variable costs** | 36 000 | 52 600 | (b) |  |
| **Fixed costs** | 28 000 | 29 500 | (c) |  |
| **Profit** | (d) | (e) | (f) |  |

Students could then consider possible reasons why these variances could have occurred. Students could also calculate the budgeted and actual profit and the variance in profit (d) to (f), and whether the variance identified is adverse or favourable, providing a link with Topic 2.3.1. |
| 6 | 2.3 Managing finance | **2.3.1 Profit**Calculation (and link to break-even)Statement of comprehensive income (profit and loss account) – introduction and key features | Students could re-run a cash-flow table taking into account debtor and creditor periods to examine the cash-flow implications of accepting orders and to highlight the difference between cash and profit. An example could be the following.Renaissance Roof Racks (RRR) Ltd accepts three orders during a five-month period and starts Month 1 with £1000 cash in the company’s current account.Order 1: revenue is received in cash in Month 1 from customers amounting to £10 000. However, RRR has negotiated a trade credit period where the costs of the order (£6 000) do not have to be paid in cash to RRR’s supplier until Month 3.Order 2: RRR deliver orders to customers in Month 2 but customers will not pay the invoice of £20 000 until Month 5. The costs (£14 000) of the orders will have to be paid in cash to suppliers in Month 4.Order 3: RRR deliver a £30 000 order to customers in Month 4 but only receive 50% of the invoice in cash in Month 5, with the remaining balance being paid in Month 6 (outside the cash-flow forecast period). Costs to suppliers (£18 000) have to be paid in cash one month after the customer made the order.In the table below, calculate the profitability of each order.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Order 1** | **Order 2** | **Order 3** |
| **Revenue** |  |  |  |
| **Costs** |  |  |  |
| **Profit** |  |  |  |

Should RRR accept all three of the orders?Using the table below, now complete RRR’s cash flow forecast.**5 month cash-flow forecast for Renaissance Roof Racks (RRR) Ltd**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 |
| **Cash inflows** |  |  |  |  |  |
| Cash from customers |  |  |  |  |  |
| **Cash outflows** |  |  |  |  |  |
| Cash to suppliers |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Opening balance | 10 000 |  |  |  |  |
|  |  |  |  |  |  |
| Closing balance |  |  |  |  |  |

 |
| 7 | **2.3.2 Liquidity**Statement of financial position (balance sheet) – introduction and key featuresWorking capital (link to cash) |  |
| 8 | **2.3.3 Business failure**Financial: link to cash, profit and liquidityNon-financial: link to the market and people | Students could be asked to use the internet to research the causes of failure for two different businesses, eg Modelzone and Blockbuster. They could complete two ‘diamond 9’ grids to highlight the differing importance of factors that have caused both businesses to fail. This would encourage students to recognise that some causes of failure are more/less important than others and that ultimately the causes of failure can be business specific. |
| 9 | 2.4 Resource management | **2.4.1 Production, productivity and efficiency**Methods of productionProductivity and efficiency**2.4.2 Capacity utilisation**Calculation, implications and ways of improving capacity utilisation |  |
| 10 | **2.4.3 Stock control**Diagrams and key featuresDifferent methods and advantages gained from each**2.4.4 Quality management**Methods, costs and benefitsLinks between stock control and quality management | Setting out chairs: put students into groups of five, then go into the assembly hall and ask them to set up 70 seats (seven rows of ten). Video each group doing this activity. Then show the groups the videos at the end of the activity and get students to discuss how they could set out the chairs in a way that reduces time. Then repeat the exercise to see if students can reduce any excessive labour.Kaizen Toast: take a toaster (one that has been tested as part of the school’s electrical appliance PAT testing) into the classroom and go through the process of buttering a piece of toast. Then get the students to see if there is anything which could be changed in the process to minimise wasted time and wasted resources. Students could be timed to ascertain which student can produce two pieces of buttered toast of a given quality in the least amount of time.The following *YouTube* clip can be used by students to understand the purpose of the exercise:* [www.youtube.com/watch?v=3N89JJ991pE](http://www.youtube.com/watch?v=3N89JJ991pE)

Alternatively the same point can be made using a clip of the cold calling scene from the Will Smith film *The Pursuit of Happyness*. |
| 11 | 2.5 External influences | **2.5.1 Economic influences**Macroeconomic variables: inflation, exchange ratesEconomic policy: interest rates, taxation and government spending |  |
| 12 |
| 13 | **2.5.2 Legislation**Different areas of businesses affected by legislation |  |
| 14 | Revision and AS level exam preparation | Revision and exam practice for AS level examinations and/or mock examinations for Theme 1 and Theme 2.Introduction to the broad pre-released context (available from June) for A level Paper 3. Set summer research project for A level students. Link to Extended Project Qualification if applicable. |  |

Theme 3: Year 13 Autumn term

| Week | Topic | Content | Suggested activities and resources |
| --- | --- | --- | --- |
| 1 | 3.1 Business objectives and strategy3.4 Influences on business decisions  | **3.1.1 Corporate objectives**Development and levelsCritical appraisal of objectives and their presentation**3.4.1 Corporate influences**The timescales on which businesses workInfluences on decision-making**3.4.4 Business ethics**Trade-offs between profit and ethics and how this relates to objectives | Students could research a range of business examples and identify their mission statements. In small groups they could then be asked to pick a general aim for the business compatible with this mission and then proceed to develop a SMART corporate objective that is plausible. Combine this with research on recent news regarding the business’s recent strategy, for example Starbucks and their recent decision to expand their North American branches to bars in the evening: * [www.starbucks.co.uk/about-us/company-information/mission-statement](http://www.starbucks.co.uk/about-us/company-information/mission-statement)
* [www.starbucks.com/coffeehouse/starbucks-stores/starbucks-evenings/locations](http://www.starbucks.com/coffeehouse/starbucks-stores/starbucks-evenings/locations)

Students could consider what Starbucks could do as an alternative to the current strategy. How would this alternative be better? What are the risks and rewards?An activity for business ethics: four corners/stand in line. This encourages students to move around the room but also to consider their views on particular ethical issues. Either:1. State that one wall in the room is ‘strongly agree’, while the other is ‘strongly disagree’, or
2. Allocate the four corners of the room to ‘Agree’, ‘Strongly agree’, ‘Disagree’, ‘Strongly disagree’.

Then read/project a series of contentious statements such as, ‘For businesses, profits should always be the main consideration in any strategic decision’, and ask students to stand in a place in the room that reflects their view. A number of individuals can then be verbally challenged about why they chose to stand where they did, building evaluative skills as they do so. |
| 2 | 3.4 Influences on business decisions | **3.4.3 Shareholders versus stakeholders**Examples of stakeholders and their objectivesInfluences on business objectivesConflicts between shareholders and stakeholders and the business | Stakeholder mapping is a useful tool for students to use and some resources for this purpose can be found here:* [www.stakeholdermap.com/stakeholder-analysis.html](http://www.stakeholdermap.com/stakeholder-analysis.html)

Such stakeholder matrices can be used for a group task: students are given a large sheet of paper and encouraged to sketch a large matrix with ‘Power’ and ‘Interest’ on the axes. On sticky notes, each stakeholder group is written down and the students are given a business example or context relating to stakeholder conflicts to make a judgement on. New scenarios can be given by the teacher which might influence the power/interest of different groups, eg media coverage of an industrial dispute might strengthen or weaken the power of employees.Each group can then move around the room to look at other matrices completed by other groups, which they may choose to change. Encouraging students to justify the reasons for changing a position of different stakeholder groups can help to build analytical and evaluative skills. |
| 3 | **3.4.2 Corporate culture**How culture is formed in relation to objectives, ethics etcCategorising culture and assessing its strength | A useful introductory video on culture can be found here:* <http://education-portal.com/academy/lesson/strong-vs-weak-organizational-cultures-examples-differences.html#lesson> – there is also a quick quiz related to the video that can be used as a stimulus.

Although aimed at undergraduate level, the following link provides a good overview of Handy’s original classification (there are progress check questions as well, which students could complete if ICT access allows):* [www.open.edu/openlearn/money-management/management/leadership-and-management/management-perspective-and-practice/content-section-5.5.2](http://www.open.edu/openlearn/money-management/management/leadership-and-management/management-perspective-and-practice/content-section-5.5.2)

The use and exploration of business case studies provides a good basis for exploring forming and changing cultures, for example:* <http://businesscasestudies.co.uk/syngenta/values-into-vision/how-values-drive-culture.html#axzz2yKcA8FwC>

Groups of students could be given different businesses with contrasting cultures and given a checklist to base an analysis on. For example:* Would you categorise the culture as strong or weak?
* Which of the four classifications would you put this example in? What evidence do you have for this?
* Why do you think this business has such a culture? From where does it originate? Do the founders of the business still work there? Are they key decision-makers?
* Has the culture always been as it is? What changes have occurred? How did the changes happen?

For different examples, ask students to complete a ‘diamond 9’ activity where for their given example they rank the following influences on culture:* Attitude of top management
* Recruitment
* Staff attitude to the values of the business
* Training of staff
* Promotion of staff
* Payment and rewards used for staff
* Nature of the business and its industry
* Age of the business
* Blank: for students to add their own factor
 |
| 4 | 3.1 Business objectives and strategy | **3.1.2 Theories of corporate strategy**Ansoff, Porter, Boston MatrixStrategic and tactical decisions | Visualisation activity: read out the four main concepts of the Boston Matrix and ask students to draw the image that comes into their heads. To this, add the business characteristics that might follow from such an image description. Finally, add the concepts of market share and market growth, and see if students can guess the characteristics of each based on this information.Corporate decision-making project: students could be given an example of a business strategy and then carry out a detailed assessment of this:1. Assess the strategy using Ansoff and/or Porter.
2. Analyse the business’s product portfolio using the Boston Matrix.
3. Suggest the strategic and tactical decisions that could be used to achieve a stated corporate objective.
 |
| 5 | **3.1.3 SWOT analysis****3.1.4 Impact of external influences**PESTLE analysisPorter’s Five Forces | Students could be arranged into groups and given a range of business examples to explore. Each group conducts a SWOT analysis as a starting position. They then make decisions about how weaknesses can be turned into strengths, how opportunities can be taken advantage of, and how threats can be avoided or accommodated in the overall strategy.A basic focus on business functional areas (HR, marketing, finance, operations/production) can help focus the SWOT and also trigger questions and suggestions in the groups.For a range of examples, students could conduct a before and after thought experiment. For example, using the example of Apple: what would the mobile phone market be like if Apple had not entered it with the iPhone in 2007? Who would be the market leaders? What would be the same and what would be different about the competitive environment?Porter’s Five Forces model should not be confused with Porter’s Strategic Matrix. Students should use this to analyse how a wider range of factors than competitors affects the environment in which businesses operate. Porter’s explanation of his original model and an update can be found here: * [www.youtube.com/watch?v=mYF2\_FBCvXw](https://www.youtube.com/watch?v=mYF2_FBCvXw)

Individually, students could be given an example of an industry and then carry out a Five Forces analysis of it. Students could then be paired up to compare and contrast their findings, analysing the uses and limitations of the model in the process. |
| 6 | 3.2 Business growth | **3.2.1 Growth**How and why businesses growProblems of growth**3.2.2 Mergers and takeovers**ReasonsDifferent categories/directions**3.2.3 Organic growth**Compare and contrast mergers and takeovers**3.2.4 Reasons for staying small**Links to new, highly competitive marketsAvoidance of diseconomies of scale | Increased market share can be exemplified by researching UK supermarkets and their quest to gain market share. This objective of growth can be introduced as a short- to medium-term objective that feeds into the long-term objective of increased profitability. Profitability should be clearly distinguished from simply increased profits – this can be achieved with reference back to total costs and economies of scale.A Venn diagram approach can be used here, with students required to identify the similarities and differences between profit and profitability.The problems of growth can be analysed with reference to case studies, particularly those relating to businesses choosing to reduce their size, for example:* [www.telegraph.co.uk/finance/newsbysector/industry/mining/10736367/BHP-Billiton-eyes-possible-11bn-mining-demerger.html](http://www.telegraph.co.uk/finance/newsbysector/industry/mining/10736367/BHP-Billiton-eyes-possible-11bn-mining-demerger.html)

Over-trading is more commonly associated with new businesses and can be explored with reference to local, growing businesses. A case study can be found here and can be used as an introductory example:* [www.nibusinessinfo.co.uk/content/example-overtrading](http://www.nibusinessinfo.co.uk/content/example-overtrading)

Individually or in small groups, students could be given this example or a similar one. From this they could be required to do the following:1. Identify the causes of over-trading for the business example
2. Analyse possible solutions
3. Evaluate whether the problem is business growth itself or the way in which it is pursued by a growing business.

Students could be given an internet research task to explore some mergers and takeovers. These are a starting point:* [www.rasmussen.edu/degrees/business/blog/best-and-worst-corporate-mergers/](http://www.rasmussen.edu/degrees/business/blog/best-and-worst-corporate-mergers/)

Students could research the stated aims of the mergers and takeovers as expressed by executives in the media, and produce an assessment of the way that these integrations worked (or not) in reality.For more creative lessons, one or more students could take on the role of the CEO of one of the businesses involved. They could then be ‘hot seated’ where other students take on the role of the financial media and ask him/her questions about the original reasons for the integration and how he/she assesses the move panned out in reality.Give students an open question such as, ‘Organic growth is always better than inorganic growth’ or ‘New businesses are better to remain small in the first five years of existence.’ Either individually or in small groups, students can be required to make a one-sided argument in favour or against the statement. From there, the ‘It depends’ test can be introduced: what would influence the answer to this question? What examples either support or disprove your point of argument? |
| 7 | 3.3 Decision-making techniques | **3.3.1 Quantitative sales forecasting**Times series analysis calculationsUses and limitations of quantitative sales forecasting |  |
| 8 | **3.3.2 Investment appraisal**Methods, calculation and interpretationUses and limitations | Stretch and challenge could be achieved by asking students to decide which technique is the most important to a range of different businesses. For example, a new business might be more concerned with payback as it needs to secure this as soon as possible to reduce cash-flow issues. |
| 9 | **3.3.3 Decision trees**Construction and interpretationUses and limitations |  |
| 10 | **3.3.4 Critical Path Analysis**Completion and interpretationUses and limitations | Although the construction of a Critical Path network is not expected, it can be a good way of introducing students to the concept.In small groups, ask students to identify a simple task that has a number of separate parts or stages, eg making a cup of tea, decorating a room or, in more complex terms, organising a party.Ask them to identify each stage and approximately how long each stage will take. As a starting point, ask them to guess how long the whole project will take. If they haven’t used Critical Path Analysis before, they are likely to simply add the durations together in a linear fashion.Engagement can be increased with the use of sticky notes where each ‘activity’ and its duration is written on the note and students place these on a large sheet of paper. The concept of parallel activities can then be introduced, with students encouraged to move the sticky notes around to minimise the total time taken. From there the rest of CPA can be introduced. |
| 11 | 3.5 Assessing competitiveness | **3.5.1 Interpretation of financial statements**Statement of comprehensive income (profit and loss account) and statement of financial position (balance sheet)Stakeholder interest**3.5.2 Ratio analysis**Calculation and interpretationUses and limitations | The following exercise is based on HMRC sample accounts and encourages students to look at the information and particularly how it has changed – percentage change calculations can be used here.:* [www.hmrc.gov.uk/ct/getting-started/intro/sample-accounts.pdf](http://www.hmrc.gov.uk/ct/getting-started/intro/sample-accounts.pdf)
 |
| 12 | As an introductory activity:* Ask students if they have ever borrowed money.
* If they have, what was the money borrowed for?
* How much did they have to pay back?
* If their answers were ‘going out’ or ‘paying back someone else’, this could be seen as a problem.
* If the money was borrowed to buy clothing, music or to put towards a car or cycle (all examples of assets), then this could be a more favourable position.
* Discuss with students why one situation might be preferable to another.
 |
| 13 | **3.5.3 Human resources**Quantitative measures of HR performance | Students could conduct a research task by completing the following table.

|  |  |  |
| --- | --- | --- |
| **Strategy** | **Intended outcome** | **Examples** |
| Employee share ownership | Increase productivity and retention by making staff feel part of the business’s overall financial performance. | Twitter:<http://contracts.onecle.com/twitter/espp-2013.shtml> |
| Financial rewards |  |  |
| Consultation strategies |  |  |
| Empowerment strategies |  |  |

The diary of a worker: students could create their own reflections on what it might be like to work in an organisation that uses one or more of these policies. How do they feel? What impact do the policies have on them day-to-day? |
| 14 | 3.6 Managing change | **3.6.1 Causes and effects of change****3.6.2 Key factors in change**Link to topics covered within this theme**3.6.3 Scenario planning**Planning to reduce risk | Case studies to explore transformational leaders:* [www.theguardian.com/sustainable-business/transformational-leadership-key-self-doubt](http://www.theguardian.com/sustainable-business/transformational-leadership-key-self-doubt)
* [www.examiner.com/article/bill-gates-transformational-leader](http://www.examiner.com/article/bill-gates-transformational-leader)

These cases studies can be replaced with more familiar example to the particular group of students to introduce some of the key characteristics of types of leader they might know about.The recent changes faced by Nokia provide an interesting case study for students to apply their understanding to. This article suggests that change has not been managed successfully: * <http://management.fortune.cnn.com/2013/05/08/corporate-change-nokia/>

Students could analyse the following:* What are the arguments suggesting that change has not been managed successfully?
* What factors or issues are driving change in the Nokia example?
* Use your understanding of this concept and further research, what could Nokia do differently in order to manage this change more successfully?

A useful article on scenario planning:* [www.economist.com/node/12000755](http://www.economist.com/node/12000755)

For a given business example, students could research the possible risks that they face, paying particular attention to those that are specific to this business, eg the nature of their product/service, their locations etc. A working template (with examples) that can be used is:

|  |  |  |
| --- | --- | --- |
| **Type of risk** | **Issues at risk (scenarios)** | **Contingency plan** |
| Natural disaster | Destruction of supply chain (eg Toyata after Tsunami in 2011) | Diversify locations of key production plants to different areas of the world in order to minimise risk |
| IT systems failure | Loss of customer service and data managementCase study – UK banks:* [www.theguardian.com/business/2013/dec/04/rbs-it-failure-computer-systems](http://www.theguardian.com/business/2013/dec/04/rbs-it-failure-computer-systems)
* [www.theguardian.com/money/2014/jan/27/bank-it-systems-keep-failing-lloyds-rbs-natwest](http://www.theguardian.com/money/2014/jan/27/bank-it-systems-keep-failing-lloyds-rbs-natwest)
 | Further investment or more careful stress testing during development |
| Loss of key staff | Advice on how to manage the loss of key staff – investment banking case study: * [www.professionaladviser.com/ifaonline/feature/2303924/better-business-how-to-manage-key-man-risk](http://www.professionaladviser.com/ifaonline/feature/2303924/better-business-how-to-manage-key-man-risk)
 | Succession planning Spreading responsibility within the organisation |

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Theme 4: Year 13 Spring/Summer term

| Week | Topic | Content | Suggested activities and resources |
| --- | --- | --- | --- |
| 1 | 4.1 Globalisation | **4.1.1 Growing economies**Measurements of different economies and economic performanceBusiness opportunities | The teacher could write down 20 or so products on individual sticky notes. Students in groups then have to consider whether the demand for these products is income elastic or income inelastic for the UK market. Once each group has made their decisions they have to stick the sticky notes onto a board which has been divided into two, one side entitled ‘income elastic demand’ and the other ‘income inelastic demand’. Each group’s sticky notes can be identified via different coloured ink. The teacher can ask each group to justify their decision.The whole activity could then be re-run for a BRIC/MINT country. This should hopefully identify that markets in the UK are more likely to be saturated than BRIC/MINT markets. |
| 2 | **4.1.2 International trade and business growth**Specialisation of economies and businessBusiness growth via trade | In groups, students could be given the task to make something, eg a paper mobile, which involves at least four stages, eg cutting out, adding string, colouring in etc. Make sure that the number of tasks equates to the number of students in each group. Each group is then asked to produce as many of the items as they can in a given time period.The aim is to see if any group sub-divides their labour so that each student specialises in each individual stage of the production process. Normally this group will produce more compared with a group where each student tries to make the entirety of the product. The teacher could, at the end of the session, introduce a nominal labour cost per time period to illustrate that the group which produced the most would actually have the lowest unit costs of production. |
| 3 | **4.1.3 Factors contributing to increased globalisation**External factors (link to PESTLE) |  |
| 4 | **4.1.4 Protectionism**Threats posed to economies and businesses and reactions to these |  |
| 5 | **4.1.5 Trading blocs**As a reaction to protectionism between countriesOpportunities and threats to businesses |  |
| 6 | 4.2 Global markets and business expansion | **4.2.1 Conditions that prompt trade**Push and pull factors for businesses |  |
| 7 | **4.2.2 Assessment of a country as a market****4.2.3 Assessment of a country as a production location**Contrast the two, and compare and contrast factors | Students could be given a list of all the factors (more than 20) that could make a country attractive as a market. Each of these factors could be placed on its own small pieces of paper. Each group of students will then have to decide which factors are relevant to a set of business scenarios produced by the teacher.Example scenarios are Costa Coffee wanting to break into the US market and Li-Ning wanting to break into the US sportswear market.Students then have to produce a poster outlining the factors that they feel are most important to the scenario provided. Therefore students have to decide which factors are relevant depending on the scenario. Each factor could be glued onto a poster, hence the use of small pieces of paper. Students could then be given the opportunity to explain their posters to the rest of the class.Students could be given information on a variety of different countries and be asked in groups to decide which country is the best production location for a particular product or service. Some could be straight forward, eg extractive industries, whereas others could be more debatable, eg customer support centres. |
| 8 | **4.2.4 Reasons for global mergers or joint ventures****4.2.5 Global competitiveness**How this is achieved and can be enhanced through working with other businesses | Students could complete a ‘diamond 9’ grid for a series of differing businesses which examines the impact exchange rates will have on them. For instance a scenario could be given such as a strengthening pound, with the students needing to consider the importance of impacts of the strengthening pound on that business.Ensure that you select a range of differing businesses in a range of different contexts, eg businesses that do not export/businesses that export heavily. |
| 9 | 4.3 Global marketing | **4.3.1 Marketing**On a global scaleStrategic choices for different markets | Students could be shown a range of adverts from YouTube and they have to decide whether they illustrate ethnocentric, geocentric or polycentric marketing. The teacher could use adverts that are identical irrespective of the country the advert is used in, eg Lindt chocolate, and then show examples of others where the advertising focus has to differ between countries, eg McDonald’s.An alternative approach to this activity could be for students to find their own examples of different adverts illustrating the three approaches and then present their findings to the rest of the class, explaining why the adverts are indicative of a different marketing approach. |
| 10 | **4.3.3 Cultural and social issues**Influences on marketing strategy**4.3.2 Niche markets**Features and how these interact with cultural and social issues | Students could be given a niche market product (eg Beats by Dre headphones) and be tasked with designing a marketing campaign for the product that allows it to be successfully sold in a given country. Students could research the style of adverts used in that country using YouTube and carry out further research into the country. This activity could be completed using smartphones or iPads since students will be able to use an app (eg Video Star) to produce a high-quality advert for their product. The teacher could provide slips of paper that consist of a country and a niche market product, and each group of students could select their product and country at random. This allows the teachers to consider whether students have tailored their advert to the particular needs of their given country or not.A prize could be given for the best advert.Students could be shown examples from <http://rudefoodnames.com> to illustrate the difficulties of branding a product in one country that does not offend people’s sensitivities in another country. |
| 11 | 4.4 Global industries and companies (multinational corporations) | **4.4.1 The impact of MNCs**Local impacts versus national impacts | Students could research the impact of Ford’s decision in 2013 to cease production of cars and vans in the UK, with van production being switched to Turkey. Working in small groups, students should consider the factors that allowed Ford to move the production of vans offshore.The small groups should complete the table on the next page which considers the advantages and drawbacks to a range of stakeholders that resulted from the decision. Students should use the table to decide whether Ford were right to move production offshore.

|  |  |
| --- | --- |
| Advantages to Ford’s customers | Disadvantages to Ford’s customers |
|  |  |
| Advantages to Ford | Disadvantages to Ford |
|  |  |
| Advantages to Turkey | Disadvantages to Turkey |
|  |  |
| Advantages to UK | Disadvantages to UK |
|  |  |

 |
| 12 | **4.4.2 Ethics**Ethical discussions raised by the activities of MNCs |  |
| 13 | **4.4.3 Controlling MNCs**Possibilities and practicalities | Divide the class into groups. Each group should research a pressure group provided by the teacher. The pressure groups should be a combination of successful/unsuccessful ones, for example:* Baby Milk Action – [www.babymilkaction.org/about-us](http://www.babymilkaction.org/about-us)
* Greenpeace – [www.greenpeace.org.uk/](http://www.greenpeace.org.uk/)

In groups students have to produce a PowerPoint presentation explaining: * why the pressure group is unsuccessful/successful
* what the pressure group can do to become more/even more successful.

Each group should present their findings to the rest of the class. |
| 14 | Revision and A level exam preparation | Revision of Themes 1, 2, 3 and 4Exam preparation |  |