

Advance Information Checklist 2022

AQA A-LEVEL BUSINESS

KEY:

HotTopic?	TOPICS NOT YET EXAMINED (2017-2021) BUT WHICH ARE INCLUDED IN 2022 ADVANCE INFORMATION
	SHADED BOXES – TOPICS <u>NOT</u> INCLUDED IN 2022 ADVANCE INFORMATION

QUANTITATIVE AND NUMERICAL SKILLS

Quantitative / Numerical Skills	RAG	PAPER 1	PAPER 2	PAPER 3	Notes
QS1: calculate, use and understand ratios, averages and fractions					
QS2: calculate, use and understand percentages and percentage changes					
QS3: construct and interpret a range of standard graphical forms					
QS4: interpret index numbers					
QS5: calculate cost, revenue, profit and break-even					
QS6: calculate investment appraisal outcomes and interpret results					
QS7: interpret values of price and income elasticity of demand					
QS8: use and interpret quantitative and non-quantitative information in order to make decisions					
QS9: interpret, apply and analyse information in written, graphical and numerical forms					

Specification Area / Topics	RAG	Paper 1	Paper 2	Paper 3	Notes
3.1 WHAT IS BUSINESS?					
3.1.1 Understanding the nature and purpose of business					
Business Objectives					
Mission Statements					
Measurement of profit					
Revenue					
Variable and Fixed Costs					
3.1.2 Understanding different business forms					
Different Forms of Business (sole traders, private ltd, plcs)					
Limited and Unlimited Liability					
Private and Public Sector Organisations <i>Hot Topic?</i>					

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Shares, Share Prices and Market Capitalisation					
Shareholders and Why They Invest					
Effect of Ownership on Mission, Objectives, Decisions and Performance					
3.1.3 Understanding that businesses operate within an external environment					
Factors influencing costs and demand (competition, market conditions, incomes, interest rates, demographic factors, environmental issues, fair trade)					
3.2 MANAGERS, LEADERSHIP AND DECISION MAKING					
3.2.1 Understanding management, leadership and decision making					
What Managers Do - Roles of Managers					
Tannenbaum Schmidt Continuum (Key Model)					
Blake Mouton Managerial Grid (Key Model)					
Effectiveness of Different Styles of Management and Leadership					
3.2.2 Understanding management decision making					
Scientific Decision Making <i>Hot Topic?</i>					
Risks, Rewards, Uncertainty and Opportunity Cost					
Decision Trees					
Influences on Decision Making					
3.2.3 Understanding the role and importance of stakeholders					
Role and Importance of Stakeholders					
Stakeholder Mapping (Key Model)					
Influences on the relationship with stakeholders					
Managing the relationship with different stakeholders					

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3.3 DECISION MAKING TO IMPROVE MARKETING PERFORMANCE					
3.3.1 Setting marketing objectives					
Value of Setting Marketing Objectives (sales volume and sales value; market size; market and sales growth; market share; brand loyalty)					
Internal & External Influences on Marketing Objectives					
3.3.2 Understanding markets and customers					
Marketing Research – Secondary <i>Hot Topic?</i>					
Marketing Research - Primary					
Marketing Research - Quantitative and Qualitative					
Marketing Research – Sampling <i>Hot Topic?</i>					
Market Mapping (Key Model)					
Market Size, Growth and Market Share					
Positive and Negative Correlation					
Confidence Intervals					
Extrapolation					
Price Elasticity of Demand					
Income Elasticity of Demand					
Use of Data in Marketing Decision Making <i>Hot Topic?</i>					
Technology and Marketing Decision Making <i>Hot Topic?</i>					
3.3.3 Making marketing decisions: segmentation, targeting, positioning					
Market Segmentation (demographic, geographic, income, behavioural) <i>Hot Topic?</i>					
Niche and Mass Markets <i>Hot Topic?</i>					
3.3.4 Making marketing decisions: using the marketing mix					
Extended Marketing Mix - 7p's (Key Model)					
Consumer Goods and Industrial Goods <i>Hot Topic?</i>					
Boston Matrix (Key Model)					
Product Life Cycle (Key Model)					

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Influences on and Value of New Product Development					
Pricing Decisions: Penetration Pricing					
Price Decisions: Price Skimming					
Branding					
Promotional Decisions <i>Hot Topic?</i>					
Multichannel Distribution					
Digital Marketing <i>Hot Topic?</i>					
E-commerce					
3.4 DECISION MAKING TO IMPROVE OPERATIONAL PERFORMANCE					
3.4.1 Setting operational objectives					
Operational Objectives (costs; quality; speed of response & flexibility; dependability; environmental; added value)					
Internal & External Influences on Operational Objectives					
3.4.2 Analysing operational performance					
Labour Productivity					
Unit Costs (average costs)					
Economies of Scale					
Diseconomies of Scale					
Capacity & Capacity Utilisation					
3.4.3 Making operational decisions to improve performance: increasing efficiency and productivity					
Importance of capacity					
How to use capacity efficiently					
Importance of Efficiency and Productivity <i>Hot Topic?</i>					
Lean Production (including Just-in-Time)					
Difficulties increasing efficiency and labour productivity					
Choosing the optimal resource mix <i>Hot Topic?</i>					
Capital and Labour-Intensive Processes					
Technology and Operational Efficiency <i>Hot Topic?</i>					

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3.4.4 Making operational decisions to improve performance: improving quality					
Importance of quality					
Quality control and quality assurance					
Benefits and difficulties of improving quality					
Consequences of poor quality					
3.4.5 Making operational decisions to improve performance: managing inventory and supply chains					
Flexible Operations / Mass Customisation					
Use of temporary and part time employees					
Producing to Order <i>Hot Topic?</i>					
Inventory Management					
Inventory Control Charts (lead time; re-order levels; buffer inventory; re-order quantities)					
Influences on the choice of suppliers					
Value of outsourcing					

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Specification Area / Topics	RAG	Paper 1	Paper 2	Paper 3	Notes
3.5 DECISION MAKING TO IMPROVE FINANCIAL PERFORMANCE					
3.5.1 Setting financial objectives					
Value of Setting Financial Objectives (return on investment; long-term funding that is debt)					
Distinction between cash flow and profit					
Gross profit, operating profit and profit for the year					
Cash Flow Objectives <i>Hot Topic?</i>					
Capital Structure Objectives					
Internal & External Influences on Financial Objectives					
3.5.2 Analysing financial performance					
Budgets and Budgeting					
Cash flow forecasts					
Variance Analysis					
Break-even Analysis (break-even output; margin of safety; contribution per unit; total contribution)					
Ratio Analysis - Gross Profit & Gross Margin					
Ratio Analysis - Operating Profit & Profit for the Year					
Timings of Cash Inflows and Outflows: Payables					
Timings of Cash Inflows and Outflows: Receivables					
3.5.3 Making financial decisions: sources of finance					
Sources of Finance - Debt Factoring					
Sources of Finance - Bank Overdrafts					
Sources of Finance - Bank Loans <i>Hot Topic?</i>					
Sources of Finance - Retained Profits <i>Hot Topic?</i>					
Sources of Finance - Share Capital <i>Hot Topic?</i>					
Sources of Finance - Venture Capital					
3.5.4 Making financial decisions: sources of finance					

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Methods of Improving Cash Flow <small>Hot Topic?</small>					
Methods of Improving Profits and Profitability					
Difficulties Improving Cash Flow and Profit					
3.6 DECISION MAKING TO IMPROVE HUMAN RESOURCE PERFORMANCE					
3.6.1 Setting human resource objectives					
Human Resource Objectives (employee engagement and involvement; talent development; training; diversity; alignment of values; number, skills and location of employees)					
Internal & External Influences on Human Resource Objectives					
Soft & Hard HRM					
3.6.2 Analysing human resource performance					
Labour Turnover & Retention Rates					
Labour Productivity					
Employee Costs as a Percentage of Turnover					
Labour cost per unit					
3.6.3 Making human resource decisions: improving organisational design and managing the human resource flow					
Job Design - Hackman and Oldham (Key Model)					
Flexible Working					
Organisational Design - Authority, Span & Hierarchy					
Organisational Design - Delegation					
Organisational Design - Centralisation & Decentralisation					
Human Resource Flow (resource plan; recruitment; training; redeployment; redundancy)					

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3.6.4 Making human resource decisions: improving motivation and engagement					
Motivation Theories - Taylor					
Motivation Theories – Maslow <i>Hot Topic?</i>					
Motivation Theories - Herzberg					
Value of theories of motivation					
Financial Methods of Motivation (piece rate; commission; salary; performance- related pay)					
Non-Financial Methods of Motivation					
3.6.5 Making human resource decisions: improving motivation and engagement					
Influences on the extent and methods of employee involvement in decision making (trade unions; works councils)					
Managing and improving employer-employee communications and relations					
Value of good employer-employee relations					
3.7 ANALYSING THE STRATEGIC POSITION OF A BUSINESS					
3.7.1 Mission, corporate objectives and strategy					
Influences on the Mission of a Business <i>Hot Topic?</i>					
Internal & External Influences on Corporate Objectives (short-termism; business ownership; external & internal environment)					
Distinction between Strategy & Tactics <i>Hot Topic?</i>					
SWOT Analysis (Key Model)					
3.7.2 Analysing the existing internal position of a business to assess strengths and weaknesses: financial ratio analysis					
Financial Ratios - Profitability: Return on Capital Employed (ROCE)					
Financial Ratios - Liquidity: Current Ratio					
Financial Ratios - Gearing					
Financial Ratios - Efficiency: Payables Days					
Financial Ratios - Efficiency: Receivables Days					
Financial Ratios - Efficiency: Inventory Turnover					
Value of Financial Ratios in Assessing Performance					

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3.7.3 Analysing the existing internal position of a business to assess strengths and weaknesses: overall performance					
Core Competencies (Key Model) <i>Hot Topic?</i>					
Assessing Performance: Short-termism v Long-term <i>Hot Topic?</i>					
Kaplan & Norton's Balanced Scorecard (Key Model)					
Elkington's Triple Bottom Line (Key Model)					
3.7.4 Analysing the external environment to assess opportunities and threats: political and legal change					
Competition Legislation <i>Hot Topic?</i>					
Labour Market Legislation <i>Hot Topic?</i>					
Environmental Legislation					
3.7.5 Analysing the external environment to assess opportunities and threats: economic change					
Economic Environment: Economic Growth (GDP)					
Economic Environment: Exchange Rates					
Economic Environment: Inflation <i>Hot Topic?</i>					
Economic Environment: Fiscal & Monetary Policy					
Open Trade & Protectionism					
Reasons for Greater Globalisation of Business <i>Hot Topic?</i>					
Importance of Globalisation for Business <i>Hot Topic?</i>					
Importance of Emerging Economies for Business <i>Hot Topic?</i>					
3.7.6 Analysing the external environment to assess opportunities and threats: social and technological					
Urbanisation and Migration					
Consumer Lifestyle and Buying Behaviour					
Growth of Online Businesses					
Corporate Social Responsibility (CSR)					
Carroll's CSR Pyramid (Key Model)					
Stakeholder v Shareholder Concept					
Technological Change and Strategy					

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Pressure for Socially Responsible Behaviour					
3.7.7 Analysing the external environment to assess opportunities and threats: the competitive environment					
Porter's Five Forces (Key Model)					
3.7.8 Analysing strategic options: investment appraisal					
Investment Appraisal - Payback Period					
Investment Appraisal - Average Rate of Return (ARR)					
Investment Appraisal - Net Present Value (NPV)					
Factors Influencing Investment Decisions					
Sensitivity Analysis					
3.8 CHOOSING STRATEGIC DIRECTION					
3.8.1 Strategic direction: choosing which markets to compete in and what products to offer					
Ansoff's Matrix (Key Model)					
Reasons for choosing and value of different options for strategic direction					
3.8.2 Strategic positioning: choosing how to compete					
Porter's Generic Strategies (Key Model)					
Bowman's Strategy Clock (Key Model)					
Influences on the Choice of Strategic Positioning					
Value of different strategic positioning strategies					
Competitive Advantage					

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3.9 STRATEGIC METHODS – HOW TO PURSUE STRATEGIES					
3.9.1 Assessing a change in scale					
Organic and External Growth					
Retrenchment					
Economies of Scale (technological; purchasing; managerial)					
Economies of Scope <i>Hot Topic?</i>					
Diseconomies of Scale					
Experience Curve (Key Model) <i>Hot Topic?</i>					
Synergy <i>Hot Topic?</i>					
Overtrading <i>Hot Topic?</i>					
Greiner's Model of Growth (Key Model)					
Mergers & Takeovers <i>Hot Topic?</i>					
Franchising					
Types of Integration (backward vertical; forward vertical; horizontal; conglomerate integration)					
3.9.2 Assessing innovation					
Types of Innovation (product; process)					
Value of innovation					
Kaizen <i>Hot Topic?</i>					
Research & Development					
Intrapreneurship					
Benchmarking <i>Hot Topic?</i>					
Protecting Innovation: Patents and Copyrights					
Impact of Innovation on the Functional Areas of Business <i>Hot Topic?</i>					
3.9.3 Assessing internationalisation					
Methods of Entering International Markets (export; licensing; alliances; direct investment)					
Factors Influencing the Attractiveness of International Markets					
Offshoring / Reshoring					

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Multinationals					
Influences on buying, selling and producing abroad					
Bartlett & Ghoshal's Model of International Strategy (Key Model)					
3.9.4 Assessing greater use of digital technology					
Digital Technology – E-commerce					
Digital Technology - Big Data <i>Hot Topic?</i>					
Digital Technology - Data Mining					
Digital Technology - Enterprise Resource Planning (ERP) <i>Hot Topic?</i>					
Value of Digital Technology & Pressure to Adopt It					
Impact of Digital Technology on the Functional Areas					
3.10 MANAGING STRATEGIC CHANGE					
3.10.1 Managing change					
Causes and Types of Change (internal; external; incremental; disruptive) <i>Hot Topic?</i>					
Value of Change <i>Hot Topic?</i>					
Lewin's Force Field Analysis (Key Model)					
Flexible Organisations: Restructuring <i>Hot Topic?</i>					
Flexible Organisations: Delaying					
Flexible Organisations: Flexible Employment Contracts <i>Hot Topic?</i>					
Flexible Organisations: Organic Structures & Mechanistic Structures					
Flexible Organisations: Knowledge and information management					
Kotter & Schlesinger: Resistance to Change (Key Model)					
Kotter & Schlesinger: Overcoming Resistance to Change (Key Model)					

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3.10.2 Managing organisational culture					
Handy's Four Classifications of Organisational Culture (Key Model)					
Hofstede's Six Dimensions of International Culture (Key Model)					
Importance of Organisational Culture					
Influences on the Organisational Culture of a Business					
Reasons for Changing Organisational Culture <i>Hot Topic?</i>					
Problems of Changing Organisational Culture <i>Hot Topic?</i>					
3.10.3 Managing strategic implementation					
Value of Leadership in Strategy Implementation					
Value of Communication in Strategy Implementation <i>Hot Topic?</i>					
Importance of Organisational Structure in Strategy Implementation (functional; product-based; regional; matrix) <i>Hot Topic?</i>					
Network Analysis (Critical Path Analysis)					
3.10.4 Problems with strategy and why strategies fail					
Planned versus Emergent Strategy					
Strategic Drift (Key Model)					
Divorce Between Ownership & Control <i>Hot Topic?</i>					
Corporate Governance <i>Hot Topic?</i>					
Evaluating strategic performance <i>Hot Topic?</i>					
Strategic Planning <i>Hot Topic?</i>					
Contingency Planning					