

# AS BUSINESS STUDIES BRIDGING BOOKLET



The purpose of this course is to give you a flavour of the sorts of topics and types of assessments students cover at A-Level.

Typically half of our A-level students have never studied business before. Those who have find that it is only in Year 12, where they have some prior knowledge. During this first year of the course, we look at some of the topics studied at GCSE level, but in

substantially more detail and with the addition of new models and theories. In Year 13, we move on to more strategic thinking and planning regarding the operation of business both nationally and internationally. This booklet has been created to give you a general feel for the sorts of topics you will learn about and the sorts of teaching and assessment styles you will come across.

The key thing to remember about business is that it is everywhere. It affects all of us, in some way, every day of our lives. It is constantly changing and adapting to different situations. In business studies A-Level you will be taught the theories and models behind business operation, but you must be interested in how these apply to the real world. Be curious about what's happening around you. Why are so many businesses leaving the high street? How does technology affect business? How are our working arrangements changing? Be a critical thinker. Look beyond the textbook.

## AS LEVEL COURSE OUTLINE

The AS course, which we cover in Year 12, incorporates the 6 topic blocks below. The main focus is on the 4 functional areas of business (shaded below) and how their performance can be improved using models and techniques to improve decision-making.

<b>What is business?</b> <ul style="list-style-type: none"> <li>- Nature and Purpose</li> <li>- Legal Structure (ownership)</li> <li>- External Business Environment</li> </ul>	<b>Management, Leadership and Decision-making</b> <ul style="list-style-type: none"> <li>- Roles and Types of leaders/managers</li> <li>- Decision-making techniques</li> <li>- Stakeholders</li> </ul>
<b>Decision-making to improve <u>MARKETING</u> performance</b> <ul style="list-style-type: none"> <li>- Objectives</li> <li>- Markets and Customers</li> <li>- Segmentation, targeting, positioning</li> <li>- Marketing Decision-Making models</li> </ul>	<b>Decision-making to improve <u>OPERATIONS</u> (Production) performance</b> <ul style="list-style-type: none"> <li>- Objectives</li> <li>- Operational Performance</li> <li>- Efficiency and Productivity</li> <li>- Quality</li> <li>- Inventory and Supply Chains</li> </ul>
<b>Decision-making to improve <u>HUMAN RESOURCE</u> performance</b> <ul style="list-style-type: none"> <li>- Objectives</li> <li>- HR Performance</li> <li>- HR Flow and Organisation</li> <li>- Motivation and Engagement</li> <li>- Employer-Employee Relations</li> </ul>	<b>Decision-making to improve <u>FINANCIAL</u> performance</b> <ul style="list-style-type: none"> <li>- Objectives</li> <li>- Financial Performance</li> <li>- Sources of Finance</li> <li>- Improving Cash Flow and Profits</li> </ul>

### Quantitative skills

The reform of the A-Level specifications made quantitative (numerical) skills more important. Assessments have to include at least Level 2 (GCSE) mathematical skills as a minimum of 10% of the overall A-level marks.

In order to develop their skills, knowledge and understanding in business studies, students need to have acquired competence in the quantitative skills that are relevant to the subject content and which are applied in the context of a business A-level, including:

- calculate, use and understand ratios, averages and fractions
- calculate, use and understand percentages and percentage changes
- construct and interpret a range of standard graphical forms
- interpret index numbers
- calculate cost, revenue, profit and break-even
- calculate investment appraisal outcomes and interpret results
- interpret values of price and income elasticity of demand

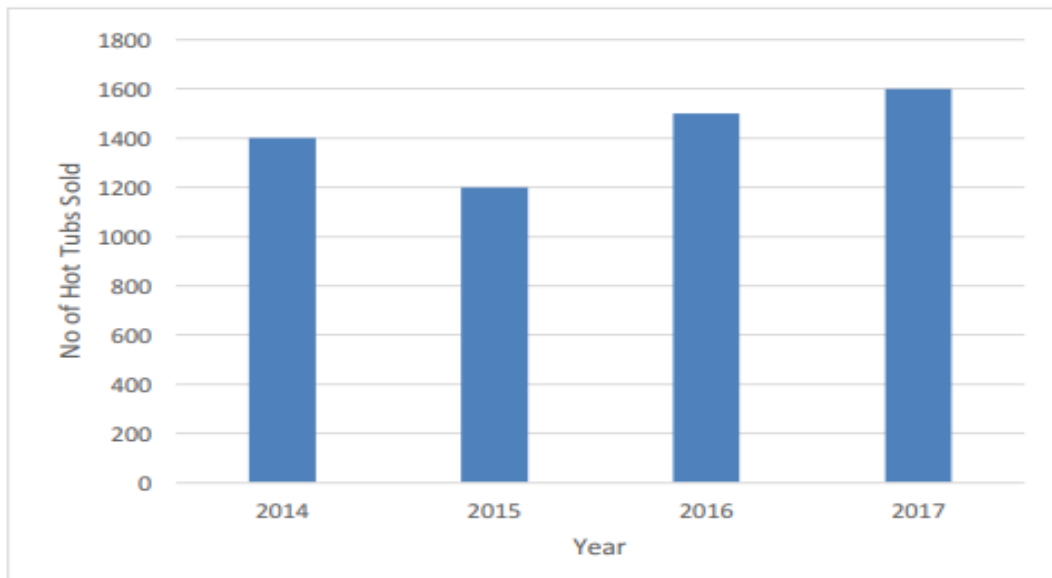
- use and interpret quantitative and non-quantitative information in order to make decisions
- interpret, apply and analyse information in written, graphical and numerical forms

### **TASK ONE: Initial Numeracy Assessment**

As a starting point, we ask students to complete an initial numeracy task, so they can judge for themselves their confidence with numbers AND can identify particular areas which may need further support later. Have a go, see how you get on.

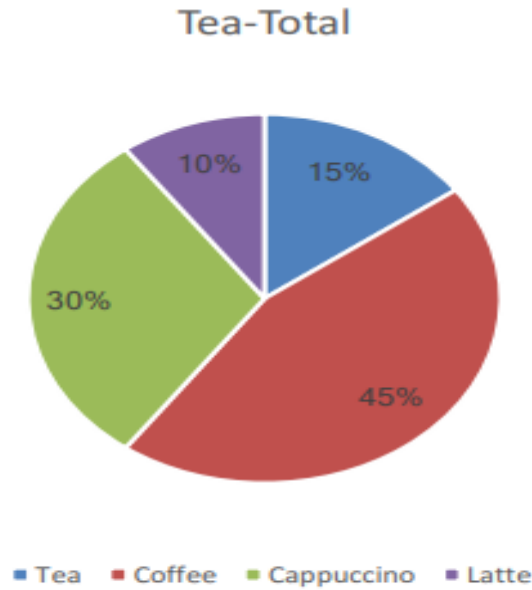
- Q1.** Balti Towers is an Indian takeaway that also offer a delivery service. Last year, the business delivered 1,400 curries. This year, the owner estimates that they will deliver 1,512 curries. Calculate the estimated percentage increase curry deliveries.
- Q2.** School of Choc is a confectionary manufacturer located in County Durham. The business employs 120 staff. The ratio of male to female staff is 2:3. Calculate how many female staff School of Choc employs.
- Q3.** Jimmy Chews is a sweet shop located in Wetherby. This year, the owner estimates that the business, which also sells soft drinks, will sell 3,360 cans of coca cola, 5% more than last year. Calculate how many cans of coca cola Jimmy Chews sold last year
- Q4.** Bubblicious is a hot tub manufacturer located in Chester. Their hot tubs retail for £4,500. The manufacturing cost per hot tub is  $\frac{2}{5}$  of the selling price. Calculate the cost of manufacturing one hot tub.
- Q5.** Melchester Rovers Football Club can seat 42,000 spectators. Last week, when they played Harrogate Town, there were 36,960 spectators. Calculate the percentage of empty seats.

- Q6.** The chart below shows the number of hot tubs Bubblicious sold between 2014 and 2017. The owner estimates that in 2018, hot tub sales will be 5% lower than in 2017. Calculate the average annual sales of hot tubs between 2014 and 2018.



- Q7.** A family of four, on holiday in the UK from Spain, visited the 'Whale of a Time' sea life centre in London. The total entrance cost for the family was £90. Assuming an exchange rate of £1: €1.08, calculate the total entrance cost in Euros.
- Q8.** Loft in Space, a manufacturer of loft insulation, took 80 of its employees on a two-day team building trip to an outdoor activity centre in the Lake District. The total cost of the trip was £9,600. The accommodation cost per employee was  $\frac{3}{5}$  of the total cost per employee. Calculate the accommodation cost per employee.

- Q9.** Tea-Total is a café in Cumbria. Below is a pie chart showing the percentage of drinks purchased for a group of 200 customers.



- (A) Calculate how many customers purchased a coffee
- (B) Calculate how many customers did not purchase a tea
- (C) Calculate the fraction of customers that purchased a Latte
- Q10.** Graham Riley is an employee of Father Treads, a business that specialises in car tyres. Graham attends a meeting at Head Office, travelling 60 kilometres each way. Graham is entitled to claim travel expenses at 45p per mile. Based on the assumption that 10 kilometres is equivalent to 6 miles (approximately), calculate how much Graham is entitled to claim.
- Q11.** Car-tastrophe is a car showroom based in Stanhope. The business consists of one manager and 3 salesman, Jim, Jon and Joseph. Each month, a sum of money is paid as a bonus and is divided in the ratio of the number of cars each salesman has sold. Jim sold 7 cars, Jon sold 8 cars and Joseph sold 9 cars. Joseph received £1,125 Calculate how much money Jim and Jon received each.

- Q12.** Barber Streisand is a hair dressing salon located in Sunderland. The owner Barbara, recently introduced a new system of rewarding her staff. At the end of the week, Barbara puts the following in a bag: 5 x £10 notes 4 x £20 notes 3 x £50 notes At the end of the week, the hairdresser who has provided the best service can select a note from the bag as a reward. Calculate the probability of not selecting a £10 note.
- Q13.** Frame, Set and Match is a picture framing business with several shops across the North East of England. The business has a total of 90 employees, of which 54 are female. Calculate, in the lowest possible terms, what fraction of the total employees are male.
- Q14.** Wooden it be Lovely is a small manufacturer of wooden children's toys. Last week, the business produced 32,000 toys, of which 40% were checked for quality. Of the 40% checked,  $\frac{1}{5}$  had a defect. Calculate how many wooden toys were found to not have a defect.
- Q15.** Sparked Out is a retailer of electrical products located in County Durham. The owner, Joseph Sparks, is analysing the sales figures of two product lines, the Lavazza coffee machine and the Breville toaster. In 2017, the total value of Lavazza coffee machine sales was £12,100 whilst the total value of Breville toaster sales was £5,292. Joseph noticed that the sales of Lavazza coffee machines have been increasing by 10% per year, whilst sales of Breville toasters have been increasing by 5% per year, over the last two years. Calculate the total sales value of Lavazza coffee machine sales and Breville toasters in 2015.

The following pages and activities will give you a flavour of some of the topics you will learn about.

## TOPIC 1: WHAT IS BUSINESS?

The word **business** is derived from the idea of “busy-ness”. Businesses are busy finding and buying resources, organising and using these resources in production, selling their products and making sure they supply what customers want. Businesses are organisations which **transform inputs (or resources)** into **outputs (products** – a general term which includes **goods** and **services**) which are purchased by their **customers** and used by **consumers**. Inputs are sometimes grouped together and called the **factors of production**. These are classified as **land, labour, capital** and **enterprise**.

The transformation process **adds value** to the inputs by turning them into outputs. For example, you might pay 30p for a bag of unwashed potatoes, but when they have been washed, peeled, boiled and mashed, you’d pay £1.50 for the pot of read- made mashed potato!



Businesses supply an enormous range of goods and services that are demanded by individual customers, other businesses and even governments. They provide the essentials to fulfil our **needs** such as electricity, and health care and also luxuries to fulfil our **wants**.

Businesses are important to countries. They create jobs, allowing people to earn an income and buy goods and services. They create wealth. Business owners reinvest their profits into more business activity. Workers save in banks, which then lend to others to invest in new businesses and projects. Business owners and employees pay taxes, giving the government funds to build schools, power stations, transport links etc. They create new products which improve and enrich our lives and standard of living. They enhance the reputation of countries.

Businesses are different sizes. They can be classified as **small, medium and large**. Most UK businesses are small.

Businesses can also be categorised according to the sector of the **economy** they are based in. There are three sectors: **primary; secondary and tertiary**. Some businesses operate in more than one sector. Over time, the size of the primary sector has declined and the size of the tertiary sector has increased, indeed the tertiary sector now the largest and it contributes most to our **GDP (Gross Domestic Product)**.

**A good starting point is to research what UK business looks like and produce a glossary of terms.**

**Try to complete the table below!**

KEY TERM	DEFINITION	EXAMPLE
Business		
Input		
Output		
Adding value		
Good		

Service		
Need		
Want		
Customer		
Consumer		
Land		
Labour		
Capital		
Enterprise		
Primary sector		
Secondary sector		
Tertiary sector		
Economy		
Small business		
Medium business		
Large business		
Gross Domestic Product		

BP (British Petroleum) is a multi-national company which operates in all three sectors of the economy. Do a little research into what it does. Write a paragraph describing BP, using as many of the key-terms as you can in your explanation.



## TOPIC 2: FINANCE – BUDGETS

**A budget is a quantifiable financial plan (i.e. contains numbers) for a future period of time.** Budgets are often drawn up for a year on a month by month basis. Budgets can be for spending (expenditure) or revenue (money earned from selling products) or profit. They tell us what the business intends to happen.

Budgets are incredibly important to businesses. They help to keep costs under control and avoid over-spending. They give the person managing the budget (budget holder) responsibility and accountability, and this can motivate them to do a good job. A sensible budget can also persuade investors or banks to support the business, showing it is well managed and that money is safe.

Read the article linked below (you can also have a look at video clip if you wish). They relate to a tv programme called “Don’t Tell the Bride”, and show the effects of bad budgeting!

<https://www.tyla.com/entertaining/tv-and-film-dont-tell-the-bride-new-series-ukraine-wedding-dress-20200224>

<https://www.youtube.com/watch?v=cLxsctvPD2w>

The impact of bad budgeting on a business can be fatal – it can result in the business closing down. However, budgets aren’t always easy to draw up, and do have problems with accuracy and the unexpected!

Listen to the web link below:

<https://www.tutor2u.net/business/reference/budgets-and-budgeting-introduction>

Here’s a little budget calculation task for you to try.

A small village pop-up Christmas business produces 2 products (mugs, coasters). They sell for £12, £20 respectively. The table below shows its **planned sales**

	Nov	Dec
Mugs	100	100
Coasters	50	80
Total	150	180

Fill in the revenue budget table below (Revenue = Product Price x Number of the product Sold)

	Nov	Dec
Mugs		
Coasters		
TOTAL		

This is how much money the business plans to earn each month!

It costs the same amount to make a mug and a coaster in terms of workers and materials - £9. On top of that, there are other business costs to pay, for example rent. These are called overheads and need to be added on to the making cost. **Complete the table below to create a cost (expenditure) budget.**

	Nov	Dec
Costs of Making		
Total overheads	130	130
Total		

This is how much the business plans to spend each month.

Profit is the difference between how much revenue the business earns and how much it spends on its costs.

**Complete the profit budget below:**

	Nov	Dec
Total revenue		
Total cost		
Profit		

This is how much profit the business plans to make each month!

So far, so good! Our business has a plan and if it sticks to it, and nothing unexpected happens, it will be successful.

A good way to use a budget, is to look back on it, and see whether or not the figures were correct. It involves working out the difference in the figures between what was planned and what actually happened. This is called variance

analysis. If the business does better than it planned for in its budget, was call that value a FAVOURABLE VARIANCE. If however, the business does worse than it planned for in its budget, we call that an ADVERSE VARIANCE.

For example, if a business budgets to spend £100 but actually only spends £80, that is a favourable variance of £20 (F). It's done better than it planned – it managed to keep its costs lower! If a business plans to earn £100 in revenue, but only earns £90, that is an adverse variance of £10 (A). It did worse than it planned as it didn't earn enough revenue. Knowing if a variance is (A) or (F) can help us run the business better. Any (A)s require us to take action to improve e.g. find a cheaper supplier, or motivate our staff to sell more. Any (F)s can teach us what is being done well. We can get those budget holders to train and help other staff – give them advice and support with their budget!

Take a look at the web link below:

<https://www.youtube.com/watch?v=3VnOhCr6FHE>

Complete the table below with your budget data. Calculate the revenue, cost and profit variance for each month and identify whether it is adverse or favourable.

	Nov (Budget Data)	Nov (Actual Data)	Dec (Budget Data)	Dec (Actual Data)
Total revenue		2,000		6,000
Total cost		1,340		2,150
Profit		660		3,850

**November:** Revenue Variance = (A or F?) Cost Variance = (A or F?) Profit Variance = (A or F?)

**December:** Revenue Variance = (A or F?) Cost Variance = (A or F?) Profit Variance = (A or F?)

### TOPIC 3: LEADERSHIP AND MANAGEMENT



A group of workers and their managers are set a task of clearing a road through a dense jungle on a remote island to get to the coast.

The managers organise the labour into efficient teams and monitor the distribution and use of equipment. Progress is excellent. The managers continue to monitor and evaluate progress, making adjustments as needed. Progress is rapid.

One day, amidst all the hustle and bustle of work, one person climbs a tree. He looks around from the top of the tree, and shouts down, "We've gone the wrong way!"

What went wrong? There was no leadership!

**Leaders** are **innovators** and **thinkers**. They **create a vision**, a **long-term plan**, and guide and **inspire** people to follow it in pursuit of the business objectives. They **set the direction**.

**Managers** **organise**, **monitor** and **control** resources and business activities. They are concerned with the day to day tasks which will get the business to its goal or objective. **Have look at these web links:**

<https://www.youtube.com/watch?v=Tddlky1cCO> (Not the best but gives you an idea)

<https://www.tutor2u.net/business/reference/introduction-to-the-role-of-a-manager>

**In other words, managers get things done BUT what gets done typically isn't their idea.**

**There are 4 main approaches to leadership and management**

<https://www.youtube.com/watch?v=1AZMiq6Mg-k> (Again, not brilliant but tells you some basic information)

<p><b><u>AUTOCRATIC (AUTHORITARIAN)</u></b></p> <ul style="list-style-type: none"><li>- Leader/manager holds the power / makes the decisions at the centre of the business</li><li>- Top down communication</li><li>- One way communication (no discussion / consultation)</li><li>- Formal systems of control in place</li><li>- Use of rewards and penalties</li><li>- Very little delegation (passing authority and control down to subordinate workers)</li><li>- Can be demotivating (feel untrusted)</li><li>- Useful when staff are low skilled or business is under threat and quick decisions are needed.</li></ul>	<p><b><u>DEMOCRATIC</u></b></p> <ul style="list-style-type: none"><li>- Power is spread more across the business</li><li>- Power is decentralised</li><li>- Decision-making is shared</li><li>- Employees have greater involvement in decisions</li><li>- Communication is two-way</li><li>- More consultation and discussion</li><li>- Authority is delegated to workers</li><li>- Can be motivating – workers feel valued</li><li>- Decision-making can be slow</li><li>- Useful when staff are skilled, experienced and therefore independent</li></ul>
<p><b><u>PATERNALISTIC</u></b></p> <ul style="list-style-type: none"><li>- A “fatherly” approach with workers being the children</li><li>- Leader/manager decides what is best for employees</li><li>- A softer form of autocratic</li><li>- Some discussion but ultimately decisions are in line with what the leader/manager thinks is best</li><li>- Little delegation of authority</li><li>- Can be motivating as workers feel valued / looked after</li></ul>	<p><b><u>LAISSEZ-FAIRE</u></b></p> <ul style="list-style-type: none"><li>- Means “leave alone”</li><li>- Leader/manager has little input in daily decisions</li><li>- Lots of delegation of authority to workers</li><li>- Motivating as feel trusted and valued</li><li>- Can be demotivating if workers feel forgotten about, ignored or isolated</li><li>- Useful when staff are skilled and creative thinkers, and good team workers</li><li>- Can lead to time consuming decision making and a conflict or lack of direction</li></ul>

Knowing what the different styles are, perhaps you could produce a profile of a real business leader, identifying which category they fall into. Good people to research include Richard Branson (Virgin), Steve Jobs (Apple), Michael O’Leary (Ryan Air) and Terry Leahy (ex of Tesco), but you could look at non-business leaders too such as Alex Ferguson or Boris Johnson! Perhaps, you could produce a table of 4 different leaders with four predominantly different leadership styles, giving evidence of those styles.

Wider reading will teach you, that in actual fact, the best leaders are situational. Though they mostly have one style, they adapt style to suit the circumstances the business is facing. Find out Michael Dell (Dell Computers) and Howard Schultz (Starbucks). Both significantly changed their style when their businesses needed them to!

Below are some multiple choice questions on leadership and management for you to try:

1. What management style means that all decisions are made centrally?

A Authoritarian

B Laissez-faire

C Bureaucratic

D Democratic

2.Which of these is a disadvantage of democratic management?

A Employees get closer to customers

B Employees are more loyal to the business

C Staff are motivated through involvement

D Decision-making likely to be slower

3.Which of these statements best describes what is meant by delegation?

A Management feedback to directors

B Authority is passed down the hierarchy

C Employees & management work together rather than for each other

D Tasks are carried out by senior rather than junior management

4.Democratic leadership places emphasis on:

A Target setting and monitoring

B Delegation and consultation

C Rules and regulations

D Long-term decision-making

5.An autocratic leader:

A Makes all the decisions and workers have to carry them out

B Allows workers to make all the decisions

C Discusses decisions with workers and gives them an input

D Delegates the decision making process to others in the business

6. In which situation is an effective manager most likely to use a laissez-faire style?

A Employees are highly skilled and motivated

B Employees are being made redundant

C Employees are inexperienced and need greater training

D Employees are threatening to go on strike

7.What type of leadership style most takes into account others' views, opinions and ideas?

- A Laissez-faire
- B Democratic
- C Paternalistic
- D Autocratic

8.Payment by results might be used by which type of leadership style

- A Laissez-faire
- B Democratic
- C Paternalistic
- D Autocratic

9.Which of these is a disadvantage of democratic management?

- A Employees are more loyal to the business
- B Staff are motivated through involvement
- C Decision-making is likely to be slower
- D Employees get closer to customers

10.To which of the following situations is autocratic leadership best suited

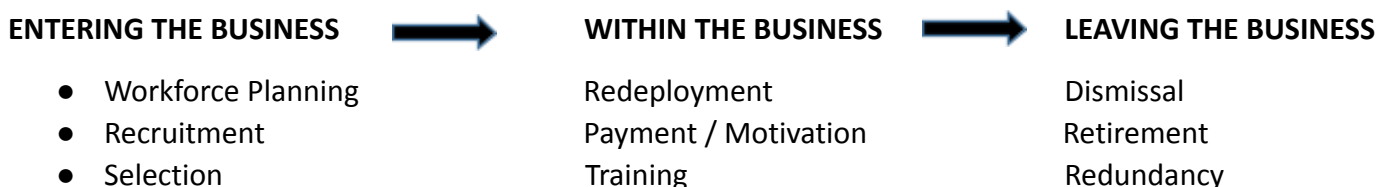
- A Factory supervisor
- B Supermarket manager
- C Army officer
- D School head teacher

11. Which leadership style suggests that managers and leaders should change and adapt their style to different circumstances?

- A Paternalistic
- B Autocratic
- C Democratic
- D Situational

#### **TOPIC 4: HUMAN RESOURCES – HUMAN RESOURCE MANAGEMENT (HRM)**

Human resources are the people who work in a business – the employees! The Human Resource (HR) department of a business is responsible for the human resource flow.



- Induction Training

An HR manager is responsible for making sure the business has the right number of staff, with the right skills, in the right place at the right time to enable it to achieve its business objectives.

Different businesses adopt different approaches to their human resource management. There are 2 types: a **HARD** approach or a **SOFT** approach.

Watch the web link below to find out the difference:

<https://www.tutor2u.net/business/reference/soft-hard-approaches-to-hrm>

HARD HRM SUMMARY	SOFT HRM SUMMARY
<ul style="list-style-type: none"> <li>● Employees are just another resource like a machine</li> <li>● Employees are hired and fired as needed</li> <li>● Employees paid minimal wages</li> <li>● Employees have limited control over their working life</li> <li>● Communication is mainly downward from management. Employees have no opportunity for input or feedback</li> <li>● Autocratic, authoritarian managers</li> <li>● Managers take a short-term view</li> <li>● Judgemental appraisal (good/bad)</li> <li>● Resistant to trade unions</li> </ul>	<ul style="list-style-type: none"> <li>● Employees are considered the most valuable resource</li> <li>● Employees are nurtured and developed for the future</li> <li>● Competitive pay and performance related rewards</li> <li>● Consultation occurs between managers and employees</li> <li>● Democratic managers</li> <li>● Employees given control and responsibility</li> <li>● Emphasis on training and development</li> <li>● Promotion from within</li> <li>● Managers take a long-term view</li> <li>● Developmental appraisal (what is needed to improve?)</li> </ul>

HARD HRM		SOFT HRM	
PROS	CONS	PROS	CONS
Predictable outcome Cost effective Managers direct and keep focus Easily replaceable	Demotivating High staff turnover – no loyalty No staff development	Motivating Staff loyalty / high retention Higher productivity Low absenteeism Higher quality More skilled / more flexible Fewer industrial disputes	Time consuming (more discussion) Expensive Training costs Surplus capacity when demand is low

### AS Level Case Study Question

This is an example of the sort of case study you might be asked to work on. Typically it would have a 9 and a 16 mark question attached. The 16 marker is given below. Have a go! Guidance has been given to help you.

### AMAZON

Amazon is a huge online retailer, known for its efficiency. It offers many different types of products and is continually moving into new product areas. Its aim is to build customer loyalty by being able to offer the products that customers want, deliver them reliably and offer a very low price. Amazon's brand is widely

recognised and valued. To keep prices low Amazon aims to earn small profit margins on its products believing that, in the long term, this will help it to earn high returns on its investment.

Amazon has invested more than £1 billion in its UK operations including a huge warehouse at Rugeley. It intends to open another three warehouses over the next two years and to create 2000 more jobs. Before Amazon located its warehouse in Rugeley the town was an area of high unemployment and some of this still remains. Amazon's key operational objective is to achieve low unit costs. It also aims to provide a high speed of response and dependability for its customers.

People working for Amazon are known as associates. Associates are divided into people who:

- unpack, check and scan every item that arrives from suppliers
  - put suppliers' products in the warehouse. Amazon's vast computer system knows where everything is located, because associates use their handheld computers to scan both the item that has arrived and a barcode on the spot on the shelf where they put it
  - push trolleys and pick up customers' orders around the huge warehouse which is the size of 9 football pitches. Associates use handheld tablets to show them the location of the products, which are then added to their trolleys to fulfil customers' orders. The tablets monitor how much work associates do and measure their productivity. Associates have daily targets. Typically, an associate walks between 7 and 15 miles a day
  - pack customers' orders. A truck filled with customers' parcels leaves the warehouse every 3 minutes.
- Other associates walk around the warehouse pushing desks on wheels with laptops on them. They are "mobile problem solvers" looking for any problems that could be slowing down the operation. Many of the staff at Rugeley are recruited and managed by an outside agency. This gives Amazon flexibility as it can ask the agency to increase or decrease the numbers of staff according to the level of demand. Associates are often paid little more than the minimum wage.

**Do you think that Amazon's approach to managing its employees at Rugeley is a good one? Justify your view. (16 marks)**

There are some key things you need to remember when answering a question like this:

1. You must come to a decision. Is it good or is it bad?
2. In order to come to a decision, your answer needs to have outlined both sides i.e. arguments why it is good and arguments why it is bad.
3. This question is about Amazon – so reading and using the case study evidence is important.
4. In order to make a judgement you need to have thought about what Amazon wants – what's its objectives? If you know what it wants to achieve, you have a better chance of deciding if its HRM approach is suitable!

### Answer Structure

#### 1. Definition of an appropriate business term

Having read the case study, you should have come to a decision whether Amazon has a hard or soft approach to HRM. This should be what you define.

#### 2. Arguments why the approach is bad for Amazon



- Think about the types of jobs its staff have and what they do every day. Are they going to motivate staff? Are they going to get people working harder (being more productive and efficient) so it can achieve its customer service aims?
- Think about how it employs its staff. They don't work for Amazon, they work for an agency which sends staff along as and when Amazon needs them. How might staff feel about Amazon? Are they going to be loyal? Are they going to be looking for other job opportunities in other businesses? Are they going to push themselves to go to work when they feel a bit poorly or might they just take the day off?
- Think about how much the staff are paid (See above)

### 3. Arguments why the approach is good for Amazon

- Think about pay and the impact on Amazon's costs.
- Think about "hire and fire". Can Amazon adapt its work force to meet the amount of work it needs to get done? How does that help with its costs?
- Think about how the associates work with the hand held devices, monitoring and targets, and problem solvers. Could this get more work done? Why?

### 4. Decision with reasons why this is your chosen answer.

Your choice! But remember, it's for the good of Amazon, not the staff.

You might also consider where the centre is and what it's like there. That might have an influence on whether or not it is a good approach.

At A-Level, when you have really developed your writing style, and you are analysing in detail and really using the case study evidence, you'd just write one argument for and one argument against.

At AS-Level (in Year 12) we advise students to write 3 arguments. Two for and one against, or two against and one for, depending on what your overall decision is. This is because most students haven't yet got really strong exam skills, and their writing tends not to be fully developed.

## TOPIC 5: MARKETING

Those of you who have studied business at GCSE will probably remember the marketing mix as having the nickname of "the 4 Ps". Actually, there are SEVEN!

The marketing mix is the combination of marketing choices that can be used by a business to influence consumers to buy products. It is really important to get your marketing mix right. Business will only be successful if it is selling a product its customers want to buy, that customers know about and can get access to, and that its customers can afford and are willing to pay the asking price for.

Watch the web link below to find out more about the different Ps and what they mean. Use it to complete the table. Find out what each P means. Give examples from a business of your choice of how it achieves the P. For example, you may decide to research the marketing mix of Sainsburys. In the final column explain the consequences to the business of getting the P wrong and what limitations or problems the business may face in trying to get it right.

<https://www.tutor2u.net/business/reference/the-extended-marketing-mix-7ps>

<https://www.marketing91.com/marketing-mix-of-sainsburys/>

	DESCRIPTION of the P	EXAMPLES	EVALUATION
PRODUCT			
PLACE			
PRICE			
PROMOTION			
PHYSICAL ENVIRONMENT			
PROCESS			
PEOPLE			

## TOPIC 6: THE SYNOPTIC, DYNAMIC NATURE OF BUSINESS STUDIES

Business studies is a dynamic subject. The world of business is constantly changing and adapting to new circumstances. It is also a very synoptic subject. Synoptic means holistic – the whole. While there are 4 key functions of business (operations or production, finance, marketing and human resources), and there are specific topics and models within each, they are all inter-connected. An activity in one functional area will have an impact in the others. For example, a national marketing campaign has to be financed, and the extra products sold need to be produced, and that may involve having to hire more staff!

If you choose to study A-Level Business, you will find that the case studies are about real businesses and that the more you know about them, the easier the case study is to understand and access. Equally, you will have to answer a couple of general business questions, not based on a case study. You are expected to bring your own examples into your answer to support it. Having a knowledge of some real world businesses and what is happening in the business environment, is incredibly useful and sets apart the better candidates.

Below is a table of 6 unfolding business situations. 5 of the options are consequences of the corona virus, 1 is a topical local story which will be of interest to Geordie football fans! Choose one which most interests you. Use the starter web link sources. There will be others which are more up to date – the situations will have developed since writing this booklet! Have a read. Perhaps write your own case study or news story. You should try to think about the 4 functional areas of business: operations, human resources, finance and marketing. Can you incorporate the impacts in some of these areas? Think about stakeholders (e.g. owners, customers, employees, suppliers, lenders government) – how are they impacted? Can you suggest any things the businesses could do to reduce potential negative impacts on themselves, customers, society? Perhaps discuss what you have found out and you think the impacts and consequences will be with your parents!



<https://www.theguardian.com/business/2020/apr/20/richard-branson-renews-virgin-plea-for-coronavirus-support>

<https://www.bbc.co.uk/news/business-52354865>

<https://www.thestreet.com/investing/virgin-atlantic-cuts-flights-furloughs-staff-in-wake-of-coronavirus>

<https://www.hsj.co.uk/furloughed-virgin-atlantic-staff-to-handle-999-calls/7027423.article>

### SAVING VIRGIN AIRLINES

Virgin Airlines is in trouble. Why?  
One part of the business (Virgin Australia) could go into administration. What does that mean?  
What has Richard Branson asked for from the government to help save the airline business?  
What is he offering in return?  
Other businesses are lobbying the government to try to get it to support Virgin. Which ones? Why?  
If Virgin airlines collapsed what would happen to competition in the market?  
Why would that be bad?  
Richard Branson released an open letter. What was in it? Why did he do it?  
What has Branson himself done to save the Virgin businesses? What have his staff done?  
What is Virgin doing to help its customers?

Does it deserve help? Should the government try to save it? Why?

## HISTORY IS MADE IN THE OIL MARKET

What happened to the price of US oil for the first time ever this week? What about other countries' oil prices e.g. UK, OPEC?

What has happened to the demand for oil? Why?

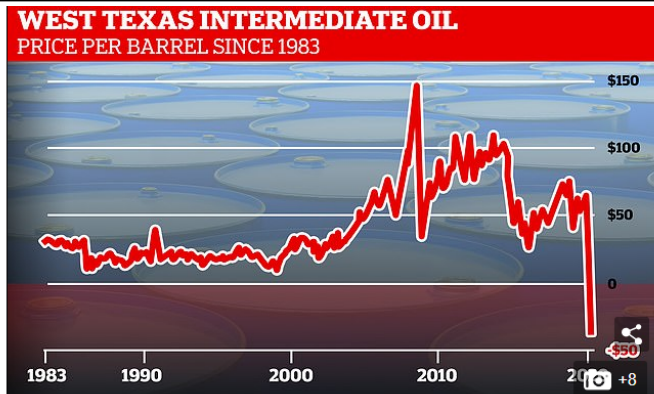
What does this mean for the supply of oil? Is there too much or too little? How does this impact on its price?

Why were US oil traders forced to pay their customers to buy the oil?!!!

How are businesses being affected by such low oil prices?

Is anyone going to benefit from the low prices?

What do the oil producers need to do to get the price back up?



The price of a barrel of US crude oil collapsed into negative territory for the first time in history on Monday as demand dried up and traders paid to have barrels taken off their hands

<https://www.bbc.co.uk/news/business-52350082>

<https://www.dailymail.co.uk/news/article-8239035/Oil-price-crashes-negative-time-history-demand-dries-up.html>



<https://www.theguardian.com/business/2020/apr/15/oasis-warehouse-administration-loss-jobs-fashion-lockdown>

<https://www.theguardian.com/business/2020/apr/20/uk-sales-of-baking-goods-and-alcohol-rise-while-makeup-and-plants-fall>

<https://www.bbc.co.uk/news/business-52066454>

## WINNERS AND LOSERS IN RETAIL

The UK high street is changing. Fashion based businesses such as Laura Ashley, Oasis, Warehouse, Cath Kidson and Debenhams have gone into administration. Why? What problems have they faced?

What is the impact on workers, consumers, the government and the economy?

Are any businesses benefiting? Which? What types? Why? The sales of which particular products have risen?

## GOODBYE MIKE ASHLEY?

Newcastle United Football Club Takeover  
Who is selling? What's the price?

Who is buying?

What else have they bought recently? Why?

Why after 13 years might the sale be happening now? What problems are the club and the owners facing?



What ethical concerns have been raised about the sale of the club?



### THE IMPACT OF CORONA VIRUS ON BUSINESS ETHICS

There have been lots of examples of good and bad business behaviour over the past few weeks. It could be argued that some are acting unethically, earning profits at others expense. Equally, there are many examples of businesses trying to do the right thing by their customers and society! Previously aggressive competitors are even working together on a not for profit basis to help society!

What are the short and long term consequences of such behaviours? Think about costs, image, sales, loyalty, profit recruitment etc.....

- <https://www.theguardian.com/business/2020/mar/25/amazon-and-ebay-failing-to-stop-covid-19-profiteers-says-which>
- <https://www.theguardian.com/technology/2020/apr/03/youtube-coronavirus-treatments-profit-misinformation>
- <https://www.chroniclive.co.uk/news/north-east-news/sports-direct-hike-prices-sports-17971695>
- <https://www.express.co.uk/showbiz/tv-radio/1263255/Joe-Wicks-news-NHS-fundraising-coronavirus-workout-COVID-19-PE-Youtube-lesson>
- <https://www.expressandstar.com/news/health/coronavirus-covid19/2020/03/26/cakes-curry-and-kfc-food-donations-pour-in-for-black-country-nhs-staff/>
- <https://www.bbc.co.uk/news/business-52286217>

### ISSUES IN OPERATIONS, SUPPLY CHAINS AND GLOBALISATION



The topic of operations is all about production, buying stocks and supplies and moving them from the supplier through the production process to the customer. Usually, this is quite straight forward, especially in a global economy with businesses across the world being able to trade easily and cost effective transport through containers on ships and airplanes. Currently though, operations have become much more difficult. For example some small bakery businesses (and consumers in general) can't get flour! The NHS is struggling with some items of PPE.

<p><a href="https://inews.co.uk/news/consumer/why-no-flour-supermarkets-baking-uk-coronavirus-lockdown-explained-2528688">https://inews.co.uk/news/consumer/why-no-flour-supermarkets-baking-uk-coronavirus-lockdown-explained-2528688</a> <a href="https://www.bbc.co.uk/news/business-52020648">https://www.bbc.co.uk/news/business-52020648</a> <a href="https://www.reuters.com/article/us-health-coronavirus-britain-farming/picking-for-britain-coronavirus-crisis-draws-workers-to-farms-idUSKBN2220HW">https://www.reuters.com/article/us-health-coronavirus-britain-farming/picking-for-britain-coronavirus-crisis-draws-workers-to-farms-idUSKBN2220HW</a> <a href="https://www.businessoffashion.com/articles/news-analysis/primark-commits-to-pay-suppliers-370-million-for-orders">https://www.businessoffashion.com/articles/news-analysis/primark-commits-to-pay-suppliers-370-million-for-orders</a></p>	
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### Further Work Beyond This Bridging Course

- Tutor2u is a fantastic resource. Occasionally, take a look at its **business blog** – it's updated with all the current business stories. Obviously there's loads at the minute due to the unprecedented impact of Covid 19 on businesses all around the world.
- There are also quizzes, webinars and notes on all sorts of topics on the Tutor2u website. Take a look at the AQA business specification and perhaps do some reading on a topic you're interested in.
- Keep up to date with the news.
  - Watch news programmes.
  - Look at news websites – they often have sections on business e.g. BBC news, Sky news
- Watch some business documentaries. There are loads of these available in all sorts of places e.g. BBC I-player, Youtube etc. Here are some examples but I'm sure you'll find more:
  - Business Boomers (Youtube)  
Documentaries about how Amazon was set up, operates and has grown, and about the coffee shop industry  
<https://www.youtube.com/watch?v=6UhrIEUjtwl>  
[https://www.youtube.com/watch?v=qY7\\_rNiz9BY](https://www.youtube.com/watch?v=qY7_rNiz9BY)
  - BBC Panorama investigation into how Amazon uses the data it collects on us  
<https://www.bbc.co.uk/iplayer/episode/m000fjdz/panorama-amazon-what-they-know-about-us>
  - Inside the Factory – a behind the scenes look at the production processes of a range of Products including pasties, pots and pans, soup and cereal bars  
<https://www.bbc.co.uk/iplayer/episodes/b07mddqk/inside-the-factory>
  - Stacey Dooley Investigates (Fashion's Dirty Secret) An investigation into the negative

impacts of fast fashion on the environment and developing countries

- A Very British Airline (Youtube) Behind the scenes at British Airways

- Inside Iceland – Britain's Budget Supermarket (Channel 5 On Demand)