

Revision Checklist

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Revision Checklist

Unit 1: Understanding Business Activity

Chapter 1: Business Activity

- The difference between wants and needs
- Why scarcity resources results in choices and opportunity cost
- Why specialization is important
- The purpose and nature of business activity
- How businesses can try to increase added value

Chapter 2: Classification of Business

- The difference between the three sectors of economics activity
- The reasons why these sectors vary in importance between countries
- The reasons why sectors vary in importance over time
- The difference between the private sector and public sector in mixed economies

Chapter 3: Enterprise, business growth and size

- What an entrepreneur is and what characteristics successful entrepreneurs have
- The needs of a new business
- The importance of a business plan
- The support business-startups get from government
- How size of the business is measured and the limitation of these methods
- The different ways in which a business can grow and why this is desirable
- Possible problems resulting from business growth
- Reasons why business remain small and why some business fail

Chapter 4: Types of Business organization

- The difference between and the advantages and disadvantages of : Sole trader, Partnership, private and public limited company, franchise and joint venture
- The main feature of unincorporated and incorporated business, and limited companies and what makes them different
- What risk, ownership, limited liabilities are
- When each type of business organization is most appropriate
- What public sector business is?

- What is a public corporation?

Chapter 5: Business objectives and stakeholder objectives

- Why a business needs objectives and the different objective that can be set
- What objectives may be set by social enterprises
- What stakeholders' groups are and their objective and potential conflict between objectives
- How objective of private and public sector enterprises differs

Unit 2: People in Business

Chapter 6: Motivating employees

- The reason people work and why well motivated employees are important
- Maslow's hierarchy
- Taylor's theory
- Herzberg theory
- Financial and Non-Financial rewards as methods of motivation
- To identify when and which motivational methods would be appropriate

Chapter 7: Organization and management

- Simple organizational charts, how to draw, interpret and understand them
- The meaning of hierarchical structure, span of control, chain of command and delegation
- The roles, responsibility and inter-relationships between people in organization
- The role and functions of management
- The different style of leadership that management might use- Democratic, autocratic and laissez faire
- Recommend and justify a leadership style in particular circumstances
- Why employee join a trade union

Chapter 8: Recruitment, selection and training of employees

- The role of HR department
- Stages of recruitment and selection
- Job Description and Job Specification
- Suitable ways of advertising internal or external
- How to draw up questions for interviews

- Benefits and limitation of part time and full time workers
- Importance of training and different types of training and their difference- On the Job, Off the job and Induction. How to design an induction program
- Analyze and evaluate the relevance of training to both the management and the employee
- Reducing the size of workforce
- Which workers to recruit/redundant
- Government laws to protect employees

Chapter 9: Internal and external communication

- Why internal and external communication important in different business situation
- How to select best method of communication
- Reasons for communication failure
- Barriers to communication
- Overcome the barrier

Chapter 10: Marketing, competition, and the customer

- The role of marketing – identifying and satisfying customer needs as well as maintaining customer loyalty
- Why market change occurs, such as when spending patterns change or there is increased competition, and how businesses can respond to these changes
- The difference between mass marketing and niche marketing
- What is meant by market segmentation and why market segmentation be used
- To recommend and justify an appropriate method of market segmentation in given circumstances

Chapter 11: Market Research

- About the role of market research and the methods used
- The difference between product-oriented and market-oriented businesses
- The methods of collecting primary market research data and their advantages and disadvantages
- The methods of collecting secondary market research data and their advantages and disadvantages
- Why sampling of often needed

- How to conduct your own market research
- To evaluate the factors that influence the accuracy of market research data
- How to present and use market research data

Chapter 12: Marketing Mix Product

- To identify the four elements of marketing
- About the role of product decisions in the marketing mix
- What makes a product successful
- What are the cost and benefits of developing a new product are
- What is meant by brand image and how this can influence sales and customer loyalty
- About the role of packaging
- To draw and interpret a product life cycle
- About the different stages of the product life cycle and how they can influence marketing decisions
- To suggest different ways to extend the product life cycle

Chapter 13: Marketing Mix Price

- The role of pricing decisions in the marketing mix
- About the different methods of pricing that a business can use and their benefits and limitations
- How to select a suitable pricing strategy for a particular business situation/objective
- The difference between price elastic demand and price in elastic demand
- The importance of price elasticity of demand in pricing decisions

Chapter 14: Marketing Mix Place

- About the role place decisions play in the marketing mix
- About the different distribution channels and the advantages and disadvantages of each distribution channel
- How to recommend the most suitable distribution channel for a given product

Chapter 15: Marketing Mix Promotion

- About the role of promotion decisions in the marketing mix
- About the aims of promotion

- Difference between advertising and sales promotion
- How to select appropriate types of advertising and sales promotion for different products/business objectives
- How to spend the marketing budget effectively
- The importance of marketing budget in making promotion decisions

Chapter 16: Technology and the marketing mix

- How business can use the internet and social media sites for promotion
- About e commerce and its advantages and disadvantages
- About the threats and opportunities e-commerce offers to business and consumers
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Chapter 17: Marketing Strategy

- The importance of different elements of marketing mix in influencing consumer decisions
- How to develop an appropriate marketing strategy in given circumstances
- To explain the nature and impact of legal controls related to marketing
- About the problems of entering new market abroad
- The benefits and limitations of ways to overcome these problems

Unit 4: Operations Management

Chapter 19: Costs, Scale of production, and working capital

- The difference between fixed costs and variable costs
- Why cost data is useful to business managers
- To understand the main cause of economies & diseconomies of scale
- To understand what the break-even level of output means
- How to use break even charts to find the break-even level of output and draw simple break-even charts
- How to explain the uses and disadvantages of break-even analysis

Unit 5 Financial Information and financial decisions

Chapter 22: Business finance: Needs and sources

- Recognize the different reasons why business needs finance

- Identify sources of finance as being either internal or external and whether they are short term or long term
- Analyze and compare the advantages and disadvantages of different sources of finance
- Analyze a firm's need for funds and make a reasonable choice between the different sources of finance available
- Make decisions whether finance should be provided to a business from the viewpoint of banks and other institutions.

Chapter 23: Cash flow forecasting and working capital

- The importance of cash to business
- Cash flow, cash inflow, cash outflow
- Difference between cash and profit
- To understand and amend a cash flow forecast
- Working capital and its important to business

Chapter 24: Income Statements

- Why is profit important
- Gross profit, net profit and retained profit
- Main features of income statement
- Users of income statement
- Income Statement: Construction and interpretation

Chapter 25: Statement of financial position (Balance Sheet)

- Classification of assets and liabilities
- Calculation of Working Capital, Net Assets Employed, Net Capital Employed
- Balance Sheet- interpretation and construction

Chapter 26: Analysis of Accounts

- The concept and importance of profitability and liquidity
- How calculating and analyzing profitability and liquidity ratios can help interpret the financial performance of the business
- What profitability ratios and liquidity ratios tells us: Gross profit margin; net profit margin; return on capital employed; current ratio and acid ratio.
- The needs of different users of account and ratio analysis

- Which group use analysis of business accounts and ratio analysis and how these can help make decisions.