

## THEME 1

# INVESTIGATING SMALL BUSINESS

### THEME 1 COVERS:

- Topic 1.1 Enterprise and entrepreneurship
- Topic 1.2 Spotting a business opportunity
- Topic 1.3 Putting a business idea into practice
- Topic 1.4 Making the business effective
- Topic 1.5 Understanding external influences on business

## TOPIC 1.1 ENTERPRISE AND ENTREPRENEURSHIP

### 0 1 GIVE ME THREE:

Reasons why business ideas come about:

1

2

3

### 0 2 IDENTIFY:

Two ways in which new business ideas come about:

1

2

### 0 3 WHAT IS MEANT BY?

Write a definition for the following key terms:

RISK

REWARD

### 0 4 IMPACTS:

State three ways that risk and reward can impact on business activity:

RISK

1

2

3

REWARD

### 0 5 WHAT IS MEANT BY?

Write a definition for the following key terms:

ENTERPRISE

ENTREPRENEUR

ADDING VALUE

**0 6 GIVE ME THREE:**

Roles / purpose of a business:

- 1
- 2
- 3

Ways a business can add value:

- 1
- 2
- 3

Roles of an entrepreneur:

- 1
- 2
- 3

**TOPIC 1.2 SPOTTING A BUSINESS OPPORTUNITY**

**0 7 GIVE ME THREE:**

Examples of customer needs:

- 1
- 2
- 3

**0 8 WHY?**

Why is it important to identify and understand customers?

- 1
- 2
- 3

**0 9 TELL ME:**

Four reasons for carrying out market research

- 1
- 2
- 3
- 4



**1 0 WHAT'S THE DIFFERENCE?**

What's the difference between:

**PRIMARY AND SECONDARY MARKET RESEARCH**

**QUALITATIVE AND QUANTITATIVE DATA**

**1 1 BENEFITS AND DRAWBACKS**

Identify two benefits and two drawbacks of the following:

**PRIMARY RESEARCH**

**BENEFITS**

**DRAWBACKS**

**SECONDARY RESEARCH**

**BENEFITS**

**DRAWBACKS**

**SURVEYS**

**BENEFITS**

**DRAWBACKS**

**QUESTIONNAIRES**

**BENEFITS**

**DRAWBACKS**

**FOCUS GROUPS**

**BENEFITS**

**DRAWBACKS**

**OBSERVATION**

**BENEFITS**

**DRAWBACKS**

**INTERNET**

**BENEFITS**

**DRAWBACKS**

**MARKET REPORTS**

**BENEFITS**

**DRAWBACKS**

**GOVERNMENT REPORTS**

**BENEFITS**

**DRAWBACKS**



**1 2 TELL ME:**

The role of social media in collecting market research

Blank writing area for the response to Question 1.2.

The importance of the reliability of market research data

Blank writing area for the response to Question 1.3.

**1 3 WHAT IS MEANT BY?**

Write a definition for the following key terms:

**MARKET SEGMENTATION**

Blank writing area for the definition of Market Segmentation.

**MARKET MAPPING**

Blank writing area for the definition of Market Mapping.

**1 4 IDENTIFY:**

Five ways of segmenting the market:

<b>1</b>	Blank writing area for way 1.
<b>2</b>	Blank writing area for way 2.
<b>3</b>	Blank writing area for way 3.
<b>4</b>	Blank writing area for way 4.
<b>5</b>	Blank writing area for way 5.

Five areas that could be strengths or weaknesses of competitors:

<b>1</b>	Blank writing area for area 1.
<b>2</b>	Blank writing area for area 2.
<b>3</b>	Blank writing area for area 3.
<b>4</b>	Blank writing area for area 4.
<b>5</b>	Blank writing area for area 5.

**1 5 TELL ME:**

The impact of competition on business decision-making:

Large blank writing area for the response to Question 1.5.



## TOPIC 1.3 PUTTING A BUSINESS IDEA INTO PRACTICE

### 1 6 TELL ME:

Five financial aims and objectives:

1

2

3

4

5

Five non-financial aims and objectives:

1

2

3

4

5

Why aims and objectives differ between businesses:

### 1 7 WHAT'S THE DIFFERENCE?

What's the difference between:

#### FIXED AND VARIABLE COSTS

### 1 8 GIVE ME THREE:

Fixed costs:

1

2

3

Variable costs:

1

2

3

### 1 9 WHAT'S THE FORMULA?

Write the formula for calculating:

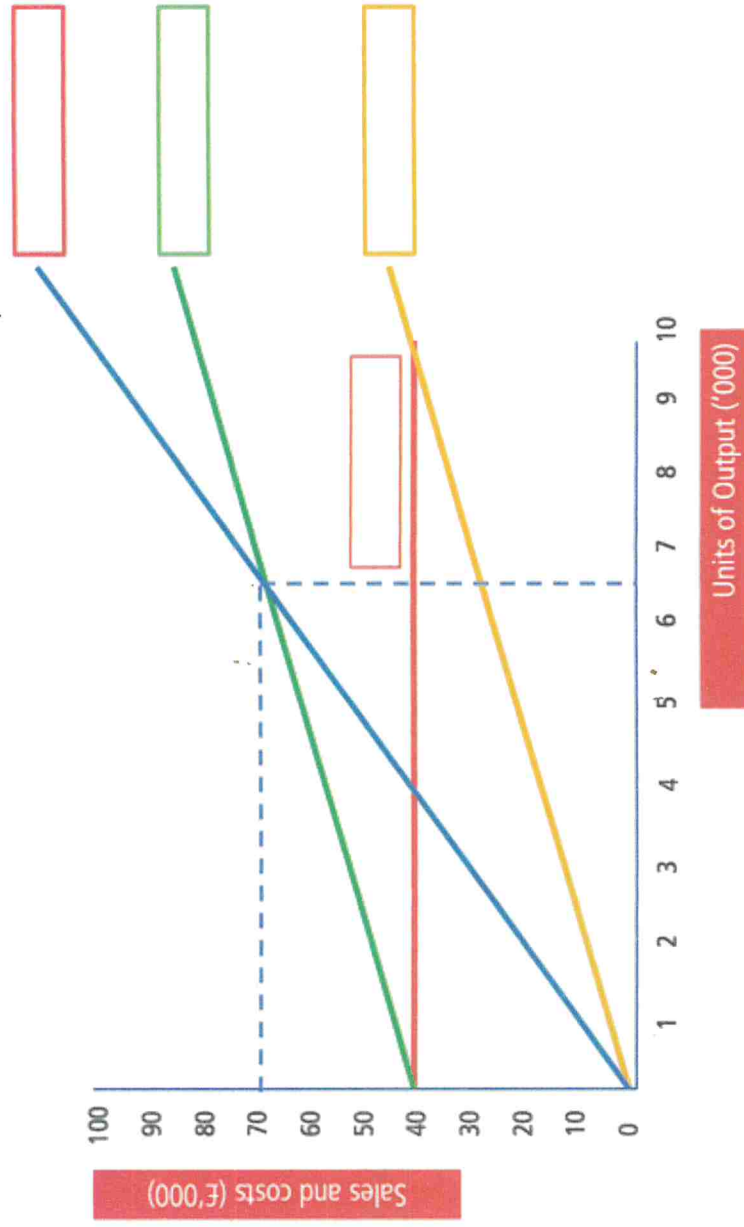
REVENUE

TOTAL COSTS

PROFIT / LOSS	
INTEREST (ON LOANS)	
BREAK-EVEN OUTPUT	
MARGIN OF SAFETY	

**2 0 LABEL THE DIAGRAM**

Label the break-even diagram below:



**2 1 TELL ME:**

How changes in revenue can impact on break-even:

How changes in costs can impact on break-even:

**2 2 GIVE ME THREE:**

Reasons why cash is important to a business:

<b>1</b>	
<b>2</b>	
<b>3</b>	

**2 3 WHAT'S THE DIFFERENCE?**

What's the difference between:

<b>CASH INFLOWS AND CASH OUTFLOWS</b>	
<b>OPENING BALANCE AND CLOSING BALANCE</b>	



**2 4 WHAT'S THE FORMULA?**

Write the formula for calculating:

**NET CASH FLOW**

**OPENING  
BALANCE**

**CLOSING  
BALANCE**

**2 5 BENEFITS AND DRAWBACKS:**

Identify one benefit and one drawback of:

**BENEFIT**

**DRAWBACK**

**OVERDRAFT**

**TRADE CREDIT**

**PERSONAL SAVINGS**

**VENTURE CAPITAL**

**SHARE CAPITAL**

**LOANS**

**RETAINED PROFIT**

**CROWD FUNDING**