

Topic 1.1 Enterprise and entrepreneurship

Subject content	What students need to learn:
<p>1.1.1 The dynamic nature of business</p>	<p>Why new business ideas come about:</p> <ul style="list-style-type: none">• changes in technology• changes in what consumers want• products and services becoming obsolete. <p>How new business ideas come about:</p> <ul style="list-style-type: none">• original ideas• adapting existing products/services/ideas.
<p>1.1.2 Risk and reward</p>	<p>The impact of risk and reward on business activity:</p> <ul style="list-style-type: none">• risk: business failure, financial loss, lack of security• reward: business success, profit, independence.
<p>1.1.3 The role of business enterprise</p>	<p>The role of business enterprise and the purpose of business activity:</p> <ul style="list-style-type: none">• to produce goods or services• to meet customer needs• to add value: convenience, branding, quality, design, unique selling points. <p>The role of entrepreneurship:</p> <ul style="list-style-type: none">• an entrepreneur: organises resources, makes business decisions, takes risks.

Topic 1.2 Spotting a business opportunity

Subject content	What students need to learn:
<p>1.2.1 Customer needs</p>	<p>Identifying and understanding customer needs:</p> <ul style="list-style-type: none"> • what customer needs are: price, quality, choice, convenience • the importance of identifying and understanding customers: generating sales, business survival.
<p>1.2.2 Market research</p>	<p>The purpose of market research:</p> <ul style="list-style-type: none"> • to identify and understand customer needs • to identify gaps in the market • to reduce risk • to inform business decisions. <p>Methods of market research:</p> <ul style="list-style-type: none"> • primary research: survey, questionnaire, focus group, observation • secondary research: internet, market reports, government reports. <p>The use of data in market research:</p> <ul style="list-style-type: none"> • qualitative and quantitative data • the role of social media in collecting market research data • the importance of the reliability of market research data.
<p>1.2.3 Market segmentation</p>	<p>How businesses use market segmentation to target customers:</p> <ul style="list-style-type: none"> • identifying market segments: location, demographics, lifestyle, income, age • market mapping to identify a gap in the market and the competition.
<p>1.2.4 The competitive environment</p>	<p>Understanding the competitive environment:</p> <ul style="list-style-type: none"> • strengths and weaknesses of competitors based on: price, quality, location, product range and customer service • the impact of competition on business decision making.

Topic 1.3 Putting a business idea into practice

Subject content	What students need to learn:
<p>1.3.1 Business aims and objectives</p>	<p>What business aims and business objectives are.</p> <p>Business aims and objectives when starting up:</p> <ul style="list-style-type: none"> • financial aims and objectives: survival, profit, sales, market share, financial security • non-financial aims and objectives: social objectives, personal satisfaction, challenge, independence and control. <p>Why aims and objectives differ between businesses.</p>
<p>1.3.2 Business revenues, costs and profits</p>	<p>The concept and calculation of:</p> <ul style="list-style-type: none"> • revenue • fixed and variable costs • total costs • profit and loss • interest • break even level of output • margin of safety. <p>Interpretation of break even diagrams:</p> <ul style="list-style-type: none"> • the impact of changes in revenue and costs • break even level of output • margin of safety • profit and loss.
<p>1.3.3 Cash and cash-flow</p>	<p>The importance of cash to a business:</p> <ul style="list-style-type: none"> • to pay suppliers, overheads and employees • to prevent business failure (insolvency) • the difference between cash and profit. <p>Calculation and interpretation of cash-flow forecasts:</p> <ul style="list-style-type: none"> • cash inflows • cash outflows • net cash flow • opening and closing balances.
<p>1.3.4 Sources of business finance</p>	<p>Sources of finance for a start-up or established small business:</p> <ul style="list-style-type: none"> • short-term sources: overdraft and trade credit • long-term sources: personal savings, venture capital, share capital, loans, retained profit and crowd funding.