

### **SUMMER WORK – BTEC LEVEL 3 BUSINESS**

#### **Course Details**

The Extended Certificate in Business (equivalent in size to The Extended Certificate in Business (equivalent in size to one A Level) is assessed through a combination of coursework and external assessment methods, including an exam. It is designed for students who are interested in learning about the business sector alongside other fields of study, with a view to progressing to a wide range of higher education courses, including university and apprenticeships, as well as to help prepare them for future employment.

#### **Year 12**

Practical skills and theoretical understanding are at the heart of understanding the world of business. In **Unit 1 Exploring Business**, students will study the purposes of different businesses, their structure, the effect of the external environment, and how they need to be dynamic and innovative to survive.

As part of the **Unit 3 Personal and Business Finance** topic, students will develop the skills and knowledge needed to understand, analyse and prepare financial information. Personal finance involves the understanding of why money is important and how managing money can help prevent future financial difficulties. The business finance aspects of the unit include accounting terminology, the purpose and importance of business accounts and the different sources of finance available to businesses.

#### **Year 13**

In **Unit 2 Developing a Marketing Campaign**, students will gain skills relating to, and an understanding of, how a marketing campaign is developed. Marketing is a dynamic field central to the success of any business. This unit will explore the different stages of the process that a business goes through when developing its marketing campaign for a given product/service, including the role of market research data and other information.

In Unit 14 Investigating Customer Service students will learn that attracting new customers costs a business more than keeping existing customers, so it is important to keep existing customers happy. You can do this by building relationships with internal and external customers and giving them excellent service that exceeds their needs and expectations

#### **Exam Board**

Pearson

#### **Specification**


601/7159/5

**Task 1: Products and Services in CONTEXT**

**Products** are **physical things we can touch**, and **services** are **intangible things that we cannot touch**. For example, a product of Costa might be the food and drink they sell, but the service is the interaction between the customer and the staff, it is important for the staff to provide a high level of service to ensure the customers are satisfied.

In this task you are going to think about the products and services offered by each of the businesses. Write your ideas in the second column. Then in the third column you are going to think about impacts on poor product quality or services specific to that business. In business studies it is important to think about **context**, which means linking your ideas to things associated to that business. For example, with Costa – context could be the types of food and drink they sell such as lattes and toasties, or naming competitors such as Starbucks.




Complete the table on the next page to show specific products and services and impacts in context. The first one has been done for you. NB in the third column the context has been included in bold. You should highlight any examples of context in bold too. Try to get as many examples as you can. Also, in the third column try and add analysis, in the example the analysis is highlighted in yellow.



<b>Business:</b>	<b>Product(s)/ Service(s):</b>	<b>Impact on the business if products/services are poor</b>
	<p><b>Food:</b> Breakfasts Sausage and Egg McMuffins, Hash Browns, Big Mac, Signature Burger, Double Cheeseburgers, Happy Meals.</p> <p><b>Drinks:</b> Mc Café range of drinks, milk shakes, Coca-Cola, Tropicana, Water.</p> <p><b>Services:</b> Self-service kiosks, table service, drive thru, home delivery.</p>	<p>Customers might complain and demand a refund on their <b>meals</b>. Next time they are looking for fast food, they might go to a competitor such as <b>Burger King</b>, which would mean McDonalds would lose their market share and in the long term might <b>lose their position as market leader for fast food</b>,</p>

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 <p>The BT logo consists of the letters 'BT' in a bold, blue, sans-serif font. To the right of the letters is a stylized globe composed of several overlapping, semi-transparent spheres in shades of blue, purple, red, and green.</p>		
 <p>The Cadbury logo features the word 'Cadbury' in a classic, blue, cursive script font. The text is set against a light grey rectangular background.</p>		

**Task 2: Analysing an industry**

Listen to the two podcasts highlighted below and answer the following questions.

Podcast one- <https://www.bbc.co.uk/programmes/m0001195>

- What industry is being discussed in the podcast?
- What are some of the differences between different providers in the industry?
- What are the risks involved in this industry?

Write down three interesting facts from the podcast.

1.

2.

3.

Podcast two - <https://www.bbc.co.uk/programmes/b0bbt619>

- What industry is being discussed in the podcast?
- What are some of the differences between different providers in the industry?
- What are the risks involved in this industry?

Write down three interesting facts from the podcast.

1.

2.

3.

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**Task 3: Independent research**

During BTEC Level 3 study you are expected to complete independent reading and research.

<https://www.tutor2u.net/business> is an excellent source of revision information and additional reading to help you develop your understand of key concepts in business. Click on the following links and write up a summary in the spaces available of the key concepts explained in the videos.

1. Multinationals- <https://www.tutor2u.net/business/reference/multinationals>  
Summary-

2. Budgets and budgeting- <https://www.tutor2u.net/business/reference/budgets-and-budgetingintroduction>  
Summary-

3. Stakeholders and shareholders- <https://www.tutor2u.net/business/reference/stakeholders-andshareholders-compared>  
Summary-

4. Overtrading- <https://www.tutor2u.net/business/reference/overtrading-explained>  
Summary-

5. Limited and unlimited liability- <https://www.tutor2u.net/business/reference/limited-and-unlimitedliability>  
Summary-

6. Branding- <https://www.tutor2u.net/business/reference/value-ofbranding> Summary-

**Task 4: Research Activity**

Chose a large business of your choice that really interests you such as Apple, Nike or Adidas. Make sure you are really interested in this business as throughout the course you will be doing more research on this business.

The business I have chosen is

\_\_\_\_\_.

Fact	Description
Products and services offered	
Size of business	
Business Sector	
Profits /losses made in recent years	

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Type of ownership	
Other interesting facts about the business.	



Task 5: Learn the equations

In Unit 3 – Personal and Business Finance, you will be learning all about Finance and it would be really useful to you if you can research and learn the following;

BREAK EVEN ANALYSIS	
<u>FORMULA</u>	<u>EQUATION</u>
Total revenue	Selling price x quantity sold
Total costs	Fixed costs + total variable costs
Profit	Total revenue - total costs
Total contribution	Sales revenue - total variable costs
Contribution per unit	Selling price - variable costs
Profit using contribution	Contribution per unit x margin of safety
Break even output	Total fixed costs / unit contribution
Margin of safety	Actual sales - break even level of output

MEASURING PROFITABILITY	
<u>FORMULA</u>	<u>EQUATION</u>
Gross profit margin	Gross profit / revenue x 100
Mark up	Gross profit / cost of sales x 100

Net profit margin	$\text{Net profit} / \text{revenue} \times 100$
Return on capital	$\text{Profit} / \text{capital employed} \times 100$

### STATEMENT OF FINANCIAL POSITION

<u>FORUMLA</u>	<u>EQUATION</u>
Net current assets	Current assets – current liabilities
Net assets	Non current assets + net current assets – long term liabilities
Capital employed	Opening capital + profit for the year
Balance sheets	Net assets = capital employed

### STATEMENT OF COMPREHNSIVE INCOME

<u>FORMULA</u>	<u>EQUATION</u>
Revenue	Unit price x quantity sold
Gross profit	Sales revenue - cost of goods sold
Cost of goods sold	Opening inventory + purchases - closing inventory
Profit / loss for the year	Gross profit - expenses + other income

Net book value	Cost - depreciation
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### MEASURING EFFICIENCY

<u>FORMULA</u>	<u>EQUATION</u>
Inventory turnover	Average inventory Turnover / cost of sales x 365

### MEASURING LIQUIDITY

<u>FORMULA</u>	<u>EQUATION</u>
Current ratio	Current assets / current liabilities
Liquid capital ratio	Current assets – inventory / current liabilities
Trade payable days	trade payables / credit purchase x 365
Trade receivable days	Trade receivable / credit sales x 365

### CASHFLOW

<u>FORMULA</u>	<u>EQUATION</u>
Net cash flow	Total cash inflow – total cash outflow
Closing balance	Opening balance + net cash flow

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**Suggested reading:**

- Dumaine, B. (2020) 'Bezonomics: How Amazon Is Changing Our Lives, and What the World's Companies Are Learning from It', New York: Simon & Schuster Ltd
- Isaacson, W. (2015) Steve Jobs: The Exclusive Biography, London: Little, Brown Book Group
- Liker, J. (2004) The Toyota Way: 14 Management Principles from the World's Greatest Manufacturer, New York: McGraw-Hill Education
- Schmidt, E. (2015) How Google Works, London: John Murray
- Sinek, S. (2011) Start With Why: How Great Leaders Inspire Everyone To Take Action, London: Penguin Books
- Williams, S. (2019) The Financial Times Guide to Business Start Up 2019/20: The Most Comprehensive Guide for Entrepreneurs, London: Pearson
- Vance, A. (2016) Elon Musk: How the Billionaire CEO of SpaceX and Tesla is Shaping our Future, London: Virgin Books

**Helpful websites:**

- <https://www.tutor2u.net/business/topics/enterprise>
- <https://www.tutor2u.net/business/reference/risks-and-rewards-of-enterprise-revision-presentation>
- <http://www.peterjones.com/business-guide/assess-the-viability-of-an-idea/>
- <https://www.entrepreneur.com/article/342541>

**TV documentaries / Films**

Dragons' Den - <https://www.bbc.co.uk/programmes/b006vq92>

The Apprentice

The Founder