



GOAL?



Year 12 Business

Introduction:

This course is all about the following topics.

1. **Understand different types of businesses and their objectives**
2. **Understand how the functional areas of businesses work together to support the activities of businesses**
3. **Understand the effect of different organisational structures on how businesses operate**
4. Be able to use financial information to check the financial health of businesses
5. **Understand relationship between businesses and stakeholders**
6. Understand external influences and constraints on businesses and how businesses could respond
7. **Understand why businesses plan**
8. Assess the performance of the business to inform future decision making

The above topics are assessed via a 2 hour exam in January – 3 sections, MCQ, pre release, case study

Business sectors



At the end of this topic, you should be able to:

- Recall and define the various business sectors
- Define GDP
- Explain how the sectors have changed over time

Starter

What is your favourite business or product? and why? Write your answer down.



Business sectors

- <https://www.youtube.com/watch?v=8KDxAWfMwf4>
- While watching the video, make a note of the three business sectors

The three sectors

- **Primary** – extracting raw materials. Oil mining, farming
- **Secondary** – buying and selling of goods
- **Tertiary** – services provided e.g. Teachers, doctors, barbers

Which sector and why? Write your answer detailing your reasons.

Truck Driver



Primary

Secondary

Tertiary

- How do you think these sectors have changed over the years in the UK?

i.e. Which sectors do you think have grown or shrunk?

- To understand which sectors have contributed most to the UK economy, we need to understand what an economy is...



State of the economy

- This refers to all the people and businesses in a country that engage in buying and selling

The wealth of an economy is measured by its **GDP**...



The wealth of an economy is measured by its...

So which sector is contributing most to the UK GDP

GDP

GDP is the value of all the goods and services (output) produced in a country

(Our GDP right now is £2,619,000,000,000) - May not be the case right now ☹️

Knowledge Check

- Work your way through the questions
- Write out the questions and answers

Questions

1. Define and give examples of primary, secondary and tertiary sectors.
2. What is GDP?
3. According to the tables above which one of the following statements is true?
(Use this question to help you describe some of the trends that are identified in the statistics.)
 - a. The percentage of people employed in the UK tertiary sector fell from around 20% to around 15% between 2010 and 2015.
 - b. The secondary sector provides the largest proportion of jobs in the UK.
 - c. Most people in the UK are employed within the tertiary sector.
 - d. The primary sector is becoming increasingly important for UK jobs.
4. Describe how UK employment in each of the three sectors has changed between 2010 and 2015.
5. Why do you think these changes have occurred and what do you think is likely to happen to employment levels in each of the three sectors over the next ten years?

Consider things such as:

- technology
- globalisation
- increased standards of living

All businesses can also be categorised under...

- **Public sector** – controlled by the government



- E.g. Schools, hospitals, libraries, (TAX)

- **Private sector** – Aim to make a profit, from small local businesses to large businesses
- **Third sector** – not owned by government, but don't aim for profit – charities such as NSPCC, Alcoholics anonymous, Oxfam

Task

- <https://www.youtube.com/watch?v=NJY6P7t-yD0>
- In your own words, define and explain public, private and third sector organisations with examples

Plenary – Answer the following questions

How is employment in the different sectors changed over the years?	Difference between public and private sector businesses?	Three examples of a tertiary sector businesses?
One example of a primary sector business?	What do we mean by GDP?	



Reading List

	<u>Reading List</u>
1.	https://www.open.edu/openlearn/money-business/business-strategy-studies/different-types-business/content-section-3
2.	https://www.imf.org/external/pubs/ft/fandd/basics/gdp.htm
3.	https://www.bbc.co.uk/bitesize/guides/zx3vtyc/revision/3
4.	
5.	
6.	
7.	



Quizzes

1.	https://quizizz.com/admin/quiz/5c52b5437662ff001b161a8f/business-sectors
2.	https://quizizz.com/admin/quiz/58cbd4bd69cb9f0f67b9b27a/gdp-quiz
3.	
4.	
5.	
6.	
7.	
8.	

Sample Exam Questions

2

Section A

Answer **all** the questions.

Put a tick (✓) in the box next to the **one** correct answer for each question.

- 1 Which of the following would be classified as an internal stakeholder of a private limited company?

- (a) Central government
- (b) Directors
- (c) Partners
- (d) Pressure groups

☐
☐
☐
☐

[1]

- 2 A business operated by a sole trader has:

- (a) no tax liability
- (b) one owner
- (c) one shareholder
- (d) only one stakeholder

☐
☐
☐
☐

[1]

- 3 A public limited company:

- (a) can sell its shares on the stock exchange
- (b) cannot cease trading
- (c) has unlimited liability
- (d) operates in the public sector

☐
☐
☐
☐

[1]

- 5 Paying above the minimum wage is an example of:

- (a) a business opportunity
- (b) being an ethical employer
- (c) poor cash flow management
- (d) wasting physical resources

☐
☐
☐
☐

[1]

- 6 A supervisor's immediate superior is **most** likely to be:

- (a) a director
- (b) a manager
- (c) an apprentice
- (d) an operative

☐
☐
☐
☐

[1]

- 7 The Business Support Services function of a large company is **most** likely to support the purchasing function by:

- (a) installing new presentation software
- (b) producing a template letter for customer complaints
- (c) updating the company's e-commerce website
- (d) upgrading a database of suppliers

☐
☐
☐
☐

[1]

Sample Exam Questions

Section B

Answer **all** questions in this Section.

All of the questions in this Section should be answered in relation to businesses that you have researched. A clean copy of the research brief is provided.

- 21 (a) Describe how a business that you have researched is organised.

Name of business _____

Activity of business _____

[2]

- (b) State **one** advantage and **one** disadvantage to the business you named in **part (a)** of being organised in this way.

Advantage _____

Disadvantage _____

[2]

- 22 Explain **one** way a business that you have researched uses social media.

Name of business _____

Activity of business _____

Sample Exam Questions

Read the scenario below. Answer **all** questions in this Section.

Business scenario: *Convenience Corner*

Kirsten Halliburn is a sole trader. She owns *Convenience Corner*, an independent general store located in the centre of a large housing estate. Kirsten has owned the store for over 20 years. She relies on the profit it makes to support herself and her family.

The store sells a range of fresh, frozen and packaged foods. It also sells toiletries, household cleaning products, pet food, greetings cards and newspapers. Even though space is severely limited, Kirsten manages to stock a small selection of vegetarian, international and organic foods to cater for local demand. *Convenience Corner* opens at 6 am, seven days a week. The store usually remains open for a minimum of 16 hours each day. Kirsten believes that meeting customer needs is the key to business success. Kirsten, therefore, likes to keep the store's closing times flexible. While there is a steady flow of customers, the store remains open. The store frequently remains open throughout bank holiday periods.

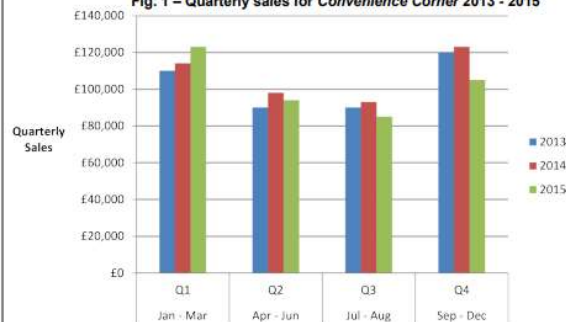
Convenience Corner currently employs six sales assistants, all under the age of 25. Each member of staff is paid £2 per hour over the national minimum wage for their age. Depending on the time of day and how busy the store is, two or three members of staff are required to work at any one time. Kirsten has a good working relationship with her staff. All of the staff are contracted to work a 40 hour week, on a rota over different days and trading times. At weekends, and other busy periods, Kirsten expects the sales assistants to work additional hours as necessary, at very short notice, often through the night. In the past, the sales assistants have sometimes worked 60 hours a week, without complaint.

In March 2014, a national supermarket chain was granted permission to build a new supermarket close to *Convenience Corner*. The supermarket opened in July 2015. Its opening hours are 8am to 8pm Monday to Sunday.

Kirsten is concerned about the sales performance of *Convenience Corner*. She wonders how much impact the increased competition from the supermarket has had on *Convenience Corner*, and how much impact it may continue to have in the future. She worries that her objective to increase sales at *Convenience Corner* by 3% year on year may no longer be achievable.

Performance data from 2013 to 2015 is given in Fig. 1 below.

Fig. 1 – Quarterly sales for *Convenience Corner* 2013 - 2015



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All of the questions in Section C should be answered in relation to the business scenario on page 10.

26 Businesses can be categorised by activity type or operating sector.

Identify:

- the activity type of *Convenience Corner*
- the operating sector of *Convenience Corner*.

[2]

27 Explain **one** benefit to Kirsten of having good working relationships with the sales assistants.

[2]

Skim through an exam paper...

- <https://www.ocr.org.uk/qualifications/cambridge-technical/business/assessment/#level-3>