



Thank you for choosing A level Business and welcome to the business department. Below you will find some basic information and support in preparation for the course start. It is also expected that you will complete the transition work included and bring with you to your first lesson. If you have any queries please email [kgrewcock@fatsf.org.uk](mailto:kgrewcock@fatsf.org.uk)

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Curriculum Lead Business

<b>Examination Board</b>	<b>OCR</b>
<b>Subject link (examination board)</b>	<a href="https://www.ocr.org.uk/Images/170837-specification-accredited-a-level-gce-business-h431.pdf">https://www.ocr.org.uk/Images/170837-specification-accredited-a-level-gce-business-h431.pdf</a>
<b>Examination overview</b>	<p>Paper 1 – Local Business            Paper 2 – National Business            Paper 3 – Global Business</p> <p>Each paper is 2 hours and contributes 33.3% to the overall grade.</p>
<b>Course textbook(s)</b>	<ul style="list-style-type: none"> <li>•OCR Business for A Level (Hodder Education) Andy Mottershead, Alex Grant and Judith Kent- available for loan from the sixth form LRC</li> <li>•Aiming for an A in A-level Business Phil Waterhouse</li> </ul>
<b>Revision resources</b>	<p><b>Websites:</b></p> <ul style="list-style-type: none"> <li>• Past papers: <a href="https://www.ocr.org.uk/qualifications/past-paper-finder/">https://www.ocr.org.uk/qualifications/past-paper-finder/</a></li> <li>• <a href="http://www.Tutor2u.net">www.Tutor2u.net</a> (online topic notes and videos)</li> <li>• <a href="https://www.youtube.com/channel/UCIIJ4pk3uzyWoeoBkGs0hxQ">https://www.youtube.com/channel/UCIIJ4pk3uzyWoeoBkGs0hxQ</a> (Taking the Biz A level revision channel)</li> <li>• <a href="https://www.youtube.com/channel/UCE9uWsZ2C3NYzzKRlo_mntw">https://www.youtube.com/channel/UCE9uWsZ2C3NYzzKRlo_mntw</a> (Bizconsesh- revision channel)</li> </ul>
<b>Wider reading materials</b>	<ul style="list-style-type: none"> <li>• The Guardian</li> <li>• Business review (produced for A level students)</li> <li>• BBC News</li> <li>• Business TED talks</li> </ul>
<b>Expectations</b>	<p>Students should arrive to every lesson on time and ready to contribute. Ruler, pencil, pens, calculators and folders are required. 4 – 5 hours independent work (including homework, revision, and wider reading).</p>

## Useful Resources & Further Reading

### **Books: Author Title Publisher ISBN**

Lines D, Martin B, Marcouse I  
Complete A-Z Business Studies Handbook (5th rev Ed)  
Hodder Arnold 9780340915165

Crainger, S., Key Management Ideas:  
Thinkers that Changed the Management World (3rd Ed)  
Financial Times / Prentice Hall  
9780273638087

Kotler P, Armstrong G  
Principles of Marketing (12th Ed)  
Prentice Hall 9780132390026

Micklethwait J, Wooldridge A  
The Witch Doctors: What Management Gurus Are Saying, Why It Matters and How to Make Sense of It.  
Mandarin 978074932645

### **Newspapers / Magazines**

The Guardian Good site for business news. <http://www.guardian.co.uk/business>

The Times Good site for business news. <http://business.timesonline.co.uk/>  
[http://business.timesonline.co.uk/tol/business/related\\_reports/entrepreneurs/](http://business.timesonline.co.uk/tol/business/related_reports/entrepreneurs/)

The Daily Telegraph Good site for business news. This includes a section on companies and markets.  
<http://www.telegraph.co.uk/money>

Economist Do not forget to use the backgrounders feature that allows you to find other articles on key topics and do look at the special reports. (Some elements open only to subscribers). <http://www.economist.com>

BusinessWeek Great site for business news and features. <http://www.businessweek.com>

Business Review Magazine Useful student magazine with articles on relevant topics as well as helpful advice on the examinations.

Nelson Thornes - Online learning materials for AS and A2 Business Studies.  
[www.nelsonthornes.com/aqagce/business](http://www.nelsonthornes.com/aqagce/business)

Annual reports service Order free annual reports from the Financial Times.  
<http://ftcom.ar.wilink.com/asp/P002>

BBC News A superb resource and one of the best starting points to find resources.  
<http://news.bbc.co.uk/1/hi/business>

Tutor2u [www.tutor2u.net](http://www.tutor2u.net)

### Key Terms

Fill in the definitions for the following key terms:

<b>Key term</b>	<b>Definition</b>
Enterprise	
Demand	
Supply	
Market	
Cashflow	
Marketing Mix	
Opportunity Cost	
Capacity Utilisation	
Profitability	
Liquidity	
Globalisation	
Productivity	
Objectives	
Added Value	
Elasticity	

## Multiple Choice Knowledge Questions

1 A non-physical market has:

- A no consumer protection legislation
- B no determinants of demand
- C no face-to-face contact between buyers and sellers
- D no market structure

2 When making strategic decisions any potential for bias should be:

- A considered
- B encouraged
- C ignored
- D maximised

3 The Competition and Markets Authority:

- A encourages trade liberalisation
- B investigates dominant firms
- C regulates against unfair advertising
- D restricts foreign currency transactions

4 An extract from the income statement for Peter's Puppets at the end of its first year of trading is shown below.

Income statement for the year ended 31 October 2016

	£
Revenue	16,200
Cost of sales	11,550
Gross profit	4,650
Expenses?	
Operating profit	(3,850)

Peter's Puppets expenses in its first year of trading were:

- A £800
- B £8500
- C £12350
- D £20050

5 Which of the following is the correct order for the three stages in Lewin's Change Management model?

- A Freeze - Change - Unfreeze
- B Freeze - Unfreeze - Change
- C Unfreeze - Change - Freeze
- D Unfreeze - Freeze - Change

6 A high street store sells baby clothes.  
Which of the following are the most likely consumers of baby clothes?

- A Babies
- B Manufacturers
- C Parents
- D Toy shops

7 Octavon Ltd makes laptop computers. The company has fixed costs of £120000 per annum and a variable cost of £110 per laptop. The laptops are to be sold for £350 each. The business hopes to make and sell 750 laptops.

Octavon Ltd's margin of safety is:

- A £250
- B £500
- C 250 laptops
- D 500 laptops

8 Which of the following is a social factor which may affect a car dealership?

- A A reduction in the age a person can take the driving test
- B An increase in tax on petrol and diesel
- C Increased use of car sharing schemes
- D The development of driverless cars

9 It is important to regularly review the strategy of a business in order to:

- A avoid the need for contingency planning
- B challenge competitors to do better
- C improve the efficiency of day-to-day tasks
- D maximise competitive advantage

10 The table below shows the total output and the average number of employees for four businesses that make dog kennels.

Business	Total number of dog kennels produced in an average month	Average number of employees
A	110,000	80
B	140,000	90
C	240,000	150
D	275,000	180

Which business has the highest level of productivity?

- A Business A
- B Business B
- C Business C
- D Business D

11 Which of the following is not protected by data protection legislation?

- A A company's financial data
- B An employee's disciplinary record
- C Customer data kept on paper
- D Supplier data stored on a computer network

12 Which of the following is not a potential benefit of introducing technology to the production process?

- A A reduction in wastage
- B Diseconomies of scale
- C Greater capacity
- D Lower unit costs

13 Westland Unite is a retail co-operative selling fruit and vegetables at reasonable prices. Which of the following would be classified as internal stakeholders of Westland Unite?

- A Bankers
- B Competitors
- C Customers
- D Suppliers

14 A business whose product is nearing the end of its product life cycle attempts to maintain sales by

introducing a new version of the product.

This is an example of:

- A an extension strategy
- B product positioning
- C the working capital cycle
- D value analysis

15 A company has issued 250000 £1 ordinary shares. The current share price is 150p. The company has made a net profit of £50000.

Assuming that all of the net profit is distributed as dividends, the company's price/earnings ratio is:

- A 0.13
- B 5
- C 7.5
- D 20

## Applying Case Study Context

<https://www.bbc.co.uk/news/business-44451139>

An important part of A Level Business is being able to apply your subject knowledge to different businesses in different situations. Read the case study on New Look and answer the questions below.

New Look slashes prices amid sharp fall in annual sales Fashion chain New Look is continuing to cut prices as it tries to turn around its business. New Look wants 80% of its clothes to sell for less than £20. The price cuts come amid falling sales. Like-for-like sales plunged by 11.7% in the financial year which ended in March, and website sales tumbled 19%. New Look is one of many retailers this year that struck a Company Voluntary Agreement (CVA) under which a company buys time to sort out its debts. It is trying to broaden its appeal to include older customers, giving it an age target range of between 18 and 45. Results from New Look, which has hundreds of stores and has been a High Street presence since 1969, contrast sharply with online rival Boohoo, which also reported results. Sales of its three brands, Boohoo, PrettyLittleThing and Nasty Gal were 53% higher in the most recent quarter compared with the same quarter last year. Boohoo brands target customers aged between 18 and 28, with clothes priced at about £15.

New Look vs Boohoo By Karen Hoggan, business reporter What's behind the stark contrast in the fortunes of New Look and Boohoo? Is it just that New Look is saddled with an expensive High Street presence, while Boohoo is online only? Actually it seems to go deeper than that. New Look's online business had a bad year as well. Charlotte Pearce, retail analyst at GlobalData, says New Look's poor performance is a result of its "loss of relevance" among UK shoppers over the last couple of years. New Look is broadly targeting the 16-44 year old shopper, while Boohoo and its other brands PrettyLittleThing and Nasty Gal are all much more narrowly focused on 16-24 year olds. By trying to appeal to too many different shoppers, New Look has ended up appealing to none as "its proposition is unclear", says Ms Pearce. She also says New Look's product ranges "lack excitement and its product is much safer" compared with the "daring" designs of the online-only fashion retailers. Retailers like Boohoo are "more in tune with millennials in terms of providing trend-led and boundary-pushing fast fashion," she says. As a result she reckons New Look would "struggle" to lure back these 16-24 [year old] shoppers because it hasn't kept up with the likes of Boohoo. However, Ms Pearce doesn't think New Look should be putting effort into trying to recapture the younger shoppers who have been lured away by Boohoo and others because the competition is so "intense". Instead she says New Look needs to adjust its target customer base to focus on the older 25-34 year olds.

Clothing retailer Ted Baker also released profits on Tuesday. Its half-year sales were up 4%, mainly thanks to growth in its online sales. New Look also booked a one-off cost of £34m, partly for discounting old stock. The company said it had made "significant progress", which will be reflected in next year's results. Last November it brought back Alistair McGeorge, who ran the business between 2012 and 2014. Mr McGeorge said: "Last year was undoubtedly very difficult for New Look, with a well-documented combination of external and self-inflicted issues impacting our performance. "We still have more work to do to restore long-term profitability, but I am confident we are now better placed to achieve this than we were when I returned to the business over six months ago." Under its turnaround plan, the company is cutting 1,000 jobs and closing 60 stores. The plan will cut the fashion chain's rents by between 15% to 55% across its remaining 393 stores. Last month, the company hit the headlines with news it was attaching higher prices to its bigger sizes, a policy it said it would reverse. Adapted from:

Questions to consider:

1. Summarise the key information from the case study in less than 30 words
2. What are the key reasons why New Look is struggling in the clothing market?
3. Do you think that New Look have made the right decision by reducing their prices to try and compete with Boohoo and PLT? Explain your answer.
4. What else could New Look do to compete with these other businesses? (Try to think of 2/3 ways)

Evaluation: Of the suggestions you have made in question 4, which do you think would be most effective? Justify your answer. Consider any external factors that may affect your recommendation

