



**'Bridging the Gap'**

**A LEVEL BUSINESS STUDIES**



**CHALLENGE • NURTURE • INSPIRE**





The course we follow in A Level Business Studies is from the Edexcel exam board and this is the link to the relevant page on their website:

<https://qualifications.pearson.com/en/qualifications/edexcel-a-levels/business-2015.html>

There are FOUR themes which are studied over the two year programme and this resource will enable you to have an insight into the two themes studied in year one. Please ensure that you bring your final report into these four topics in September and we can discuss all of your answers then.

I hope you enjoy this insight into the A-Level programme and remember to always read the business news!

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

## **THEME ONE Marketing and People**

### **TASK ONE**

#### **Marketing Mix and Strategies - Distribution**

Distribution is the location where the consumer can purchase the product (goods and services). It focuses on the availability of the product.

It is the PLACE element of the marketing mix. It is the availability of the product.

#### **Distribution channels**

A distribution channel is the route taken by a product from the producer to the consumer. There are FOUR distribution channels.

1. Producer – Consumer
2. Producer – Retailer – Consumer
3. Producer – Wholesaler - Retailer – Consumer
4. Producer – Agent –Wholesaler – Retailer – Consumer

The links below will help you answer the questions about each channel.

<https://www.tutor2u.net/business/reference/distribution-channels>

<https://www.tutor2u.net/business/blog/qa-describe-the-main-kinds-of-intermediary-involved-in-distribution-channel>

<https://www.tutor2u.net/business/blog/qa-what-factors-determine-the-type-of-distribution-channel-used-by-a-busine>

For each channel, answer the following:

- What are the benefits of the channel?
- What the problems of the channel?
- What types of businesses/products would be suitable for each channel?

What is multi-channel distribution and how is Apple an example of this?

(watch this tutor2u tutorial [https://www.youtube.com/watch?v=kKLHEnuS\\_0](https://www.youtube.com/watch?v=kKLHEnuS_0))



Explain how the following factors influence the choice of distribution channel:

- The nature of the product
- Cost
- The market
- Control

### **Distribution – changes in the channels to reflect social trends**

What changes are you (or your family) aware of in terms of how goods and services are sold? Do you (or your family) buy goods and services in a different way?

The key changes in the channels to reflect social trends are:

- **On-line distribution** (e-commerce) – refer to earlier notes on on-line retailing
- **Changing from good to service** – a lot of businesses have now focused on the distribution of services as the tertiary sector has grown and they have had to adapt to changes in technology and consumer buying trends.

Research the following **SEVEN** markets/businesses and explain how the distribution of the product has changed over time. Use research in your answer, including specific facts and figures. I have given you some links for the first three bullet points as a starting point.

- McDonald's  
<https://www.mcdonalds.com/gb/en-gb/good-to-know/in-our-restaurants/my-mcdonalds-app.html>  
<https://www.just-eat.co.uk/takeaway/brands/mcdonalds>
- Universal studios (research the release of the Trolls World Tour)  
<https://www.complex.com/pop-culture/amc-theaters-universal-pictures-feud/>
- Nike/Adidas and their athleisure range of products  
<https://www.forbes.com/sites/callyrussell/2019/10/15/nike-just-made-a-big-move-in-the-wholesale-market/#700ed1cf1c94>
- Microsoft Office 365
- Music Artists
- Newspapers
- Books

## **TASK TWO**

### **Entrepreneurs and Leaders – Entrepreneurial motives and characteristics**

Entrepreneurs are individuals who have an idea for a new business venture and are willing to take the risk of putting the idea into action.

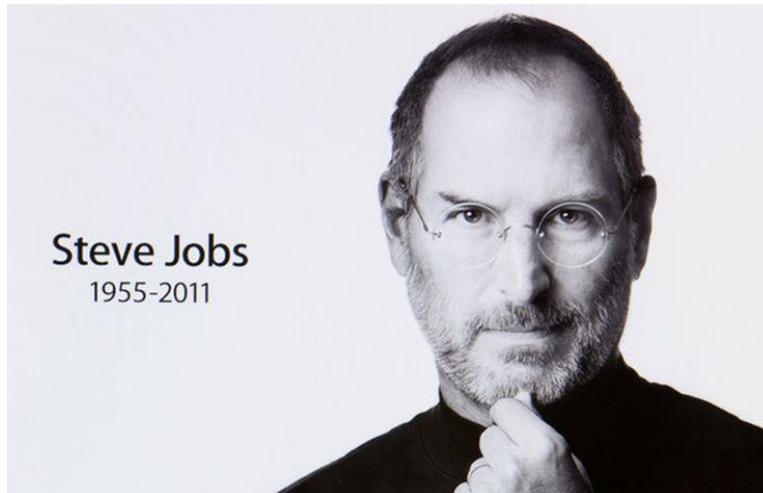
There are RISKS and REWARDS of entrepreneurship. Can you think of what they might be?

- RISKS

- REWARDS



Do you have the personality to become an entrepreneur in the future? What personal characteristics do you think Steve Jobs, the founder of Apple, had when he set up his new business?



What motives (reasons) are there for entrepreneurs to set up businesses? These could be financial and non-financial. Do you know why Steve Jobs set up Apple? What were his motives?

### Report

Choose ONE entrepreneur and write a report on their background, motives, successes and failures. The person should be someone that interests you and make sure you do a wide variety of reading/watching before writing the report. Below are some ideas for what you could include:

- Their background – where did they go to school, what did their parents do, etc.?
- How did they become an entrepreneur?
- Did they start a business at school/university?
- Did they set up an online business or have a market stall?
- What characteristics have they displayed that are indicative of being an entrepreneur?
- A brief history of their business/product/service.
- How did they raise the necessary finance?
- Where did they get the idea for the business, how did they launch it, etc.?
- Successes and failures?
- What keeps them motivated now that they have built a successful business?
- Do they have any new business ideas?



## THEME TWO Managing business activities

### TASK Three

#### Economic influences

Business activity is influenced by a number of economic influences. These factors are beyond the control of businesses. The factors are listed in the table, under the heading, 'key term'.

To find out more about the key terms, please use the following website and complete the table below.

<https://www.bbc.co.uk/bitesize/guides/zd3prj6/revision/1>

Key term	Definition
Inflation	
Exchange rates	
Interest rates	
Taxation	
Government expenditure	
The Business cycle	

**Task 1:** Using Twitter find (and follow if you would like) the following people: Donald Trump, BBC Business News and Bloomberg. Have a look at some of their tweets, put in the table below any comments/ tweets that you think are relevant to the above terms.

**Task 2:** Once you have looked at the above twitter feeds try using the search tool on Twitter and search the key terms with a hash tag e.g. #interestrates. Of course this would also work for Instagram and may be even Facebook.

Key term	Media and social media findings	Key findings
Inflation		<p>What do you think the inflation levels have been in the UK over the last ten years?</p> <p>Is this high or low?</p> <p>What impact could this have on businesses?</p>
Exchange rates		<p>Do you think the British pound is strong or weak at the moment?</p> <p>Will this help exporters or importers? Why?</p>



Interest rates		<p>What is the current interest rate?</p> <p>Why do you think the Bank of England have chosen to put the interest rates at this level?</p>
Taxation		<p>What is the UK business tax rate?</p> <p>What is the UK basic level tax rate?</p> <p>What would a UK higher rate tax payer pay?</p> <p>How much would you earn to become a higher rate tax payer?</p>
Government expenditure		<p>During the coronavirus can you list what the government would have spent their money on?</p> <p>Why would they have done this?</p>
The Business cycle		<p>What stage of the business cycle do you think we are in?</p> <p>Why do you think this?</p> <p>How many quarters of negative growth do you need to be in a recession?</p>

### The Economic/ Business Cycle:

Click on the link below for an explanation of the economic or business cycle.

<https://www.tutor2u.net/business/reference/external-environment-the-business-cycle>

Ray Dalio is an American Hedge Fund Manager and billionaire. For a more in-depth look at the economy watch his more practical explanation:

<https://www.youtube.com/watch?v=Wgx6fIYxmVY>

Stage of the cycle	Definition	Key questions
Growth		<p>What do you think the interest rates would be (high, low, middle)?</p> <p>What do you think the employment levels would be like?</p> <p>What do you think confidence would be like for people and the businesses?</p>



Boom		<p>What do you think the interest rates would be (high, low, middle)?</p> <p>What do you think the employment levels would be like?</p> <p>What do you think confidence would be like for people and the businesses?</p>
Decline		<p>What do you think the interest rates would be (high, low, middle)?</p> <p>What do you think the employment levels would be like?</p> <p>What do you think confidence would be like for people and the businesses?</p>
Recession		<p>What do you think the interest rates would be (high, low, middle)?</p> <p>What do you think the employment levels would be like?</p> <p>What do you think confidence would be like for people and the businesses?</p>

**Recessions- winners and losers**

A **recession** is ‘a period of temporary economic decline during which trade and industrial activity are reduced, generally identified by a fall in GDP in two successive quarters.’

\*technically our last recession was in 2008 (who knows we may have had another one by the time you read this!).

Not everyone loses in a recession, some businesses thrive (win) and some struggle to survive (lose).

**Task 3:** From the 2008 recession, a number of businesses did not survive, can you find out who went out of business? The following article will help you: <https://www.theguardian.com/business/2010/jan/26/uk-recession-winners-and-losers>

Business name	Why do you think they did not survive?
e.g. Woolworths	



**Task 4:** Of course some businesses thrived in the 2008 recession and actually demand for their products increased. Can you find who these businesses were, why do you think they survived?

Business name	Why do you think they did survive?
e.g. Poundland	

## TASK TWO

### Production, productivity and efficiency

Production takes place when resources such as raw materials or components, are changed into products.

**Job production** a method of production that involves employing all factors to complete one unit of production at a time.

**Batch production** a method that involves completing one operation at a time on all units before performing the next.

**Flow production** large scale production of a standard product, where each operation on a unit is performed continuously one after the other, usually on a production line.

**Task 1:** Have a look at the following information on the different types of production and watch the video:

<https://www.bbc.co.uk/bitesize/guides/z3fvcdm/revision/1>

**Task 2:** Watch the following clips and decide which one is which:

Heinz factory: <https://www.youtube.com/watch?v=G6O2zTuGOVQ>

Tailor-made shoes: <https://www.youtube.com/watch?v=ITiyKmYnL-0>

Bread baking: <https://www.youtube.com/watch?v=3UjUWfwWAC4>

Video clip	Type of production	Why have you decided this?
Heinz		
Shoes		
Bread making		



### Task 3:

Using YouTube have a look at some of the different video clips done by 'How's it made'. Some good examples include: 'How's it made: marbles' and 'How's it made: golf balls'. You can look up some of your own and choose one that interests you.

Using social media\* put together a set of pictures, or slide show that represents the process of making a product from start to finish. An example below for a 'How's it made: Honey' Instagram post.

Stage 1:	Stage 2:	Stage 3:	Stage 4:	Stage 5:
Image of bees	Image of bee keeper collecting the honey	Honey factory	Bottling up/ jarring of honey	Sales of honey in a shop.
#honey production		#flowproduction		#selling

\*if you are not on social media platforms this could be created as a powerpoint or re-created on a software package you are comfortable with.

Remember the hashtags and links!

### Task 4:

Write a report describing your chosen method of production in Task 3 and why you think it is appropriate for your product.

Please use the following subheadings:

#### **Chosen product and type of production**

#### **Why is this method of production suitable?**

\*reference quality and amount of production required.

#### **Who is your target customer?**

\*age, location, income

\*method (s) of sale

\*likely price