HE∆DSTART

huish

Business A Level

This booklet contains a range of learning activities that will help you to prepare if you are planning to take Business A 'Level. The activities have been designed to give you a taste of what it is like to study Business and will help you to make an informed decision as to if Business A 'Level is the right course for you. If you have any questions regarding these learning activities you can contact Jen Perks, Business A 'Level Course Manager via email: jennyp@richuish.ac.uk

What will I learn in Business A 'Level?

A 'level in Business will help you to understand the world of business through the context of current business developments and real business case studies and situations. You will learn how management, leadership and decision-making can improve performance in marketing, operational, financial, and human resources. In addition, you will learn a range of transferable skills such as problem solving, data analysis and communication skills. The Business A 'Level course is 100% examination (with no course work), and you will have 3 final exams that will include essay writing, numerical calculations, and data response. At Huish we study the AQA specification.

Year 1	Year 2
- What is business? - Managers, leadership, and decision making - Decision making to improve marketing performance - Decision making to improve operational performance - Decision making to improve financial performance - Decision making to improve human resource performance	- Analysing the strategic position of a business - Choosing strategic direction - Strategic methods: how to pursue strategies - Managing strategic change

Part A: Business Maths Activities (Time required approximately 30 minutes)

1. Calculate the % market growth for each of the 4 markets using the table below.

    Formula: difference between two values / original value x 100

Market size 2021 (in units sold)	Market size 2024 (in units sold)	Market growth in units sold from 2021 to 2024
2 million	3 million	
22,546	28,456	
250	350	
124,664	138,774	

2. Calculate the total market share of each business in the table below

Formula: sales of individual business / total market sales x 100

Business	Sales of business (in units)	Total market sales (in units)	Market share %
A	421,000	2,311,400	
B	397,000	4,682,940	
C	264,000	7,423,450	
D	212,000	8,411,420	

3. Calculate the labour turnover for each of the 3 businesses in the table below

Formula: number of staff leaving / average number of staff employed x 100

Business	Number of staff leaving during the year	Average number of staff employed during the year	Labour turnover
A	126	2554	
B	860	191,882	
C	2	54	

4. Calculate the labour productivity for each of the businesses below

Formula: total output / number of employees

	Output per time period	Number of employees	Labour productivity
Business A	950	2594	
Business B	1.5 million	199,546	
Business C	7	65	

5. Complete the following cash flow activities
   Brackets indicate a negative number in business
   Net cash flow = cash inflows – cash outflows
   Closing balance = net cash flow + opening balance
   Closing balance each month becomes the opening balance of the following month e.g.,
   April closing balance becomes May opening balance

Example A

	April	May
Total cash inflows	£20,000	£18,000
Total cash outflows	£35,000	£30,000
Net cash flow	(£15,000)	
Opening Balance	£23,000	
Closing balance	£8,000	

Example B

	Jan	Feb
Total cash inflows	£60,000	£33,000
Total cash outflows	£25,000	£21,000
Net cash flow		
Opening Balance	£24,000	
Closing balance		

6. Complete the following budget activities

Formula:

- *Variance = budget – actual*
- *A favourable variance is: The actual figure is BETTER than planned (so costs/expenditure are lower, or revenue/income is higher)*
- *An adverse variance is: The actual figure is WORSE than planned (so costs/expenditure are higher, or revenue/income is lower)*

Theatre location	**Income** budget	Actual **income**	Variance	Adverse or favourable
London	£4m	£3.8m		
Wells	£8m	£5m		
Manchester	£3.5m	£3.5m		
Birmingham	£3.7m	£3.8m		

Theatre location	**Expenditure** (costs) budget	Actual **expenditure**	Variance	Adverse or favourable
London	£2.8	£3m		
Wells	£0.9m	£2m		
Manchester	£2m	£1.9m		
Birmingham	£2.5m	£2.8m		

Part B: Cash Flow and Budgets (Time required approx. 1 hour)

Cashflow: Answer these questions and complete the cash flow
1. What is a cash flow?
2. Why is cash flow so important to a business?
3. What is an inflow? Give examples of possible inflows for a business
4. What is an outflow? Give examples of possible outflows for a business
5. Now complete the 'A Day in the Life' activity by reading the information below

A Day in the Life
It's Saturday morning.
   I get up, have breakfast
Get showered and get
   Ready to go out.

I have **£80** cash in my pocket. I arrange to meet a friend of mine in town who owes me **£40**.
I leave the house to catch a bus into town, stopping at my local newsagents to buy a bottle of diet coke and some crisps costing a total of **£1.50**.
I get the bus into town, which costs **£2**.
Before I meet my friend, I go to Marks and Spencer's to return a work shirt I bought for **£20**. They give me cash.
I also need to return another item that I bought from New Look the week before. The item cost **£30** and I get full cash refund.
On the way to meet my friend I pass JD Sports. I go in to have a quick look. Whilst I am in there, I decide to buy a t-shirt which costs me **£35**.
I then leave JD Sports to meet my friend. My friend gives me the **£40** he owes me.
My friend wants to look in some clothes shops and whilst I am in there, I decide to buy a pair of jeans costing **£70**. I pay cash.
After shopping for clothes, we call into a cafe for some lunch. Lunch costs **£30** which we split between us. We both leave a **£2** tip.
After lunch I call into Tesco metro to buy some 'essential' supplies. I spend **£15** in Tesco.
After leaving Tesco I go into WHSmith to buy some sweets which costs **£5**, however, I remember that I have a **10% off** voucher which I give to the assistant on the checkout. I pay for this with cash.
I then go to catch my bus home buying a **£0.50p** soft drink on the way. The bus costs me **£2**.
After I get off the bus, I go back into my local newsagents to buy a lottery ticket which costs **£1**. I then walk home.
When I get home, I empty the cash in my pockets onto the table.
From the above information complete the table.

How much do I have? £

A Day in the Life Cash Flow – complete this table	£
Opening balance (cash in pocket)	80
Cash In (add in cash inflows below and add description)	
M & S refund	20
Total cash in	
Cash out – (add in cash outflows and descriptions below)	
Diet coke and crisps	
Total cash out	
Net cash flow (Cash In – cash out)	
Closing balance (opening balance – net cashflow)	

Budgets: Answer these questions and complete the budget variance activity

1. What is a budget?
2. What are the 3 main types of budgets?
3. What is variance analysis?
4. What are the advantages to a business of setting a budget?
5. Complete the 'Supermarket Sweep' activity.

You will need to consider the following information:

- Calculating the Variance: actual Figure – budgeted Figure
- A favourable variance is: The actual figure is BETTER than planned (so costs are lower, or revenue is higher)
- An adverse variance is: The actual figure is WORSE than planned (so costs are higher, or revenue is lower)
- Calculating profit: revenue – costs

Supermarket Sweep Scenario
You are home alone! You have been left £50 to do your food shopping for the next few days. Below is the list of what you are planning to buy (the first row of costs has been complete to demonstrate what you need to do).

1. You need to *predict,* i.e., 'guess', what you think each of the items on the shopping list costs and put this amount into the table in the column for **budgeted** costs.
2. You have just found £20 behind the sofa. How does this affect your actual revenue/income?
3. Using a website for one of the main UK supermarkets, research all the **actual** costs for the items on the shopping list and put the price in the table below.
4. Now, work out variances and complete the last line of the table ending with the profit variance and if its favourable or adverse.
You need to complete the table on the following page (complete all light grey shaded areas)

	Budgeted (£)	Actual (£)	Variance (£)	Is variance favourable (F) or adverse (A)
REVENUE (Income)				
Money left for shopping	50	50		
Additional	0	20		
TOTAL REVENUE				
COSTS				
6 eggs (medium)	1.79	1.15	0.64	F
1 packet McVities Jaffa cakes				
2 litre bottle of cola				
1 x 2.5kg bag potatoes				
1 bag rocket salad				
1 x 1kg bag of red onions				
4 x single pots of strawberry Muller rice				
1 pack of 10 Birdseye potato waffles				
1 x 500ml tub Ben & Jerry's ice cream				
4-pint bottle of Tesco semi-skimmed milk				
Add in another item of your choice				
Add in another item of your choice				
TOTAL COSTS				
PROFIT (Revenue – total costs)				

Part C: Financial and non-financial motivation (Time required approximately 2 hours)

1. Write a definition of motivation
2. Draw out a larger version of the table below providing a list, definitions, and examples of financial and non-financial motivators

Methods of financial motivation	Methods of non-financial motivation

3. Research and list the different ways that google motivate their staff (classify as financial and non-financial)
4. Draw out and complete the following table outlining Herzberg's theory of motivation

Hygiene factors	Motivating factors
Definition:	Definition:
Examples:	Examples:

5. Write the following essay *(Use the following hints below to help you)*

To what extent is financial motivation the best way to improve employee motivation in a high-tech company such as Google?

Paragraph 1:

Definition of motivation and explain why it is important to businesses generally and then discuss the importance of motivation to google - discuss reputation, innovation, creativity, customer service, labour productivity (output per worker) and reduction in unit costs, higher labour retention which means saves costs on recruitment.

Paragraph 2:

To a great extent financial motivation is the most important method…explain the importance of financial motivation to google – employees need to be awarded money in exchange for work, needs to be a competitive salary to attract talent and retain staff. Financial compensation / reward is the reason most employee's work.

Research and explain relevant types of financial motivation for Google employees such as salary, performance related pay such as bonuses, fringe benefits and their impact on productivity, engagement, and achievement of individual and team targets.

Paragraph 3:

Explain there are other methods to motivate a work force and explain the importance of non-financial motivators – research Google's methods of non-financial motivation and explain the impact these have on employee motivation

Paragraph 4: Conclusion

- To a great extent financial motivation is the best way to improve employee motivation – explain why, consider if financial motivation is the MOST important method of engaging staff.
- However, non-financial also important – explain why
- Suggest businesses use a combination of methods and explain why it is important to do this – each employee has different motivators and will put a different value on different methods. Aim to refer to Herzberg's theory to support your point of view.

Task D: Research current affairs in Business (approximately 30 minutes)

Use the BBC Business news and research complete a short write up summary or mind map of **current** developments in Business or the economy. Choose around 3 articles and these will vary according to what is in the news on the day you do your research. The ones below are only examples of the types of areas you might research – you can use articles on individual businesses, innovation, redundancies, the economy, interest rates, inflation, share prices etc

Global cost of living

GLOBAL NEWS PODCAST
ARTIFICIAL INTELLIGENCE

Future of electric cars
BBC NEWS