

# huish **HEADSTART**



**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](mailto:jennyp@richuish.ac.uk)

### What will I learn in Business A 'Level?

A Level Business will help you understand the world of business through the context of current business developments, real business case studies and modern issues such as digital technology, sustainability and ethics. You will learn how management, leadership and decision-making can improve performance across key functional areas including marketing, operations, finance and human resources, within an increasingly dynamic and global environment. In addition, you will develop a range of transferable skills such as problem solving, data analysis, evaluation and effective communication. The course places a strong emphasis on real-world application, synoptic understanding and decision making. The A Level Business course is 100% examination (with no coursework), with three final exams including essay writing, numerical calculations and data response questions. At Huish we study the AQA specification.

Year 1	Year 2
<p><b>Unit 1: What is business? Managing marketing and finance</b></p> <ul style="list-style-type: none"> <li>• Business and objectives</li> <li>• Forms of business and stakeholders</li> <li>• Marketing management</li> <li>• Financial management</li> </ul> <p><b>Unit 2: Managing people and operations</b></p> <ul style="list-style-type: none"> <li>• People management</li> <li>• Operations management</li> <li>• Managing business culture</li> </ul>	<p><b>Unit 3: Business and society, business and the external environment and business strategy</b></p> <ul style="list-style-type: none"> <li>• Business and society</li> <li>• Business and the external environment</li> <li>• Strategy</li> <li>• Change</li> </ul>

### 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 – <a href="#">complete this table</a>	£
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)
<b>REVENUE (Income)</b>				
Money left for shopping	50	50		
Additional	0	20		
<b>TOTAL REVENUE</b>				
<b>COSTS</b>				
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				
<i>Add in another item of your choice</i>				
<i>Add in another item of your choice</i>				
<b>TOTAL COSTS</b>				
<b>PROFIT (Revenue – total costs)</b>				

**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

