

Edexcel GCSE Business Studies

Unit 3- Building a Business

Revision Guide

Student:.....

Form:.....

Overview of content

This unit contains five topics:

- Marketing
- Meeting customer needs
- Effective financial management
- Effective people management
- The wider world affecting business

It is worth **50%** of the total GCSE

External assessment: **1 hour 30 minutes**

The paper is divided into three sections. Questions will require a mixture of multiple-choice selection. Sections B and C will both consist of questions based on a scenario given in the paper.

Topic 3.1 Marketing

What you need to learn	Tick when complete
<p>Marketing What is meant by the term 'marketing'?</p>	
<p>Market research What is the difference between quantitative and qualitative research and be able to give examples of each type of research.</p>	
<p>What is the difference between primary and secondary research? Be able to give examples of each type and know when they would be used.</p>	
<p>Product trial and repeat purchase Why is product trial and repeat purchase important? How can you maximise repeat purchase through customer loyalty.</p>	
<p>Product life cycle What are the four stages of the product life cycle? What extension strategies can businesses use to extend the life of a product?</p>	
<p>What is a product portfolio?</p>	
<p>Boston Matrix What is the Boston Matrix? Be able to explain each of the four areas.</p>	
<p>Branding and differentiation Why is branding and differentiation important to a business?</p>	
<p>Building a successful Marketing Mix What is the Marketing Mix? How can a business build a successful marketing Mix?</p>	

Topic 3.2 Meeting customer needs

What you need to learn	Tick when complete
<p>Design and research development What is the design mix?</p>	
<p>Managing stock and quality Know what a bar gate stock graph is and be able to label the following max stock level, minimum stock level, reorder level, lead time.</p>	
<p>What is the Just in time (JIT) method of stock control? What are the benefits and limitations of using this method of stock control?</p>	
<p>Cost-effective operations and competitiveness How can a business keep productivity up and costs down to allow for competitive prices?</p>	
<p>Effective customer service What is effective customer service? Be able to give examples. What are the disadvantages of poor customer service?</p>	
<p>Meeting consumer protection laws What are the Trade descriptions Act and Sale of Goods Act? What are the effects of this legislation on business?</p>	

Topic 3.3 Effective financial management

What you need to learn	Tick when complete
How to improve cash flow How can a business improve cash flow? E.g. establish more favourable credit terms with customers and suppliers and the practice of de-stocking.	
How to analyse the difference between increasing cash inflows and reducing cash outflows.	
How to improve profit How can a business improve profit?	
Break-even charts and break-even analysis How to draw and interpret break even charts. How to calculate break even and margin of safety. How changes to price and costs affect the break-even point.	
Financing growth How to finance a business from both internal sources (profit, asset sales) and external sources (share capital, debt) including stock market flotation.	

Topic 3.4 Effective people management

What you need to learn	Tick when complete
Organisational structure. The importance of divisional structure, levels of hierarchy, chains of command and centralised versus decentralised systems.	
Motivation theory. Importance of motivation in the workplace. Maslow's Hierarchy of needs and its potential in organisations.	
Communication The impact of sufficient or excessive communication on efficiency. The impact on staff and their motivation and the barriers to effective communication.	
Remuneration The impact on staff of various payment strategies, including time, piece rate, commission; full time salary versus freelance or temporary work; fringe benefits.	
The impact on business of different payment systems.	

Topic 3.5 the wider world affecting business

What you need to learn	Tick when complete
Ethics in business. What is the meaning of the term 'ethics' in business? What are the moral issues affecting organisations.	
Environmental issues How do businesses affect the environment? The importance of short term environmental effects (impact on traffic congestion, air, noise, water pollution, recycling) and long term effects (global warming and resource depletion)	
Economic issues affecting international trade The extremes of income distribution internationally. The effect of import protection and export subsidy on businesses.	
The impact of government and the EU The impact of regulation and taxation and the benefits and drawbacks of minimum wage, maternity/paternity rights and health and safety regulations on businesses.	