Three reasons why a business idea comes Three possible risks when starting a business are: about are: i) ii) The role and purpose of business activity ii) iii) is: iii) Three possible rewards when starting a business are: i) Two examples of how a business idea comes i) about: ii) ii) iii) iii) ii) **ENTERPRISE AND ENTREPRENUERSHIP** Five ways of adding value are: An entrepreneur is: i) Branding is: ii) iii) Goods are: iv) Services are: v)

Market research is: Four different customer needs are: Primary research is: ii) Examples of primary research are: iii) iv) Secondary research is: Two reasons why it is important to meet Examples of secondary research are: customer needs are: Qualitative research is: i) Quantitative research is: ii) Four reasons to complete market **SPOTTING A BUSINESS** research are: **OPPORTUNITY** ii) iii) iv) To understand the competitive environment, a firm may seek to understand a competitor's: Market segmentation is: i) Research reliability is: ii) Five different ways of segmenting the market are: iii) iv) v) Market segmentation is important because: Research validity is: A market map is:

Five financial aims or objectives a business may Key term Definition Formula have are: Revenue Fixed cost ii) iii) Variable cost iv) v) Profit or loss Five non-financial aims or objectives a business Break-even may have are: ii) Identify on the graph below: **PUTTING A BUSINESS IDEA** iii) The break-even point iv) **INTO PRACTICE** The area of profit and loss v) Break-even Three examples of cash inflows are: 7000 A cash flow forecast shows: Total revenue 6000 Three examples of cash outflows are: 5000 Total cost 4000 Managing cash flow is important to 3000 ensure that a business can: The formula for calculating net flows is: 2000 i) Fixed cost 1000 ii)

100

Units

iii)

The formula for calculating the closing

balance is:

Short-term sources of	Advantages of use	Disadvantages of use		
finance				
Overdraft				
Trade credit				

PUTTING A BUSINESS IDEA INTO PRACTICE

Short-term sources of finance
Personal savings

Venture capital

Share capital

Bank loan

Retained profit

Crowdfunding

Unlimited liability is:	Types of ownership	Advantages		Disadvantages
•	Sole trade			
	Partnership			
	Private limited company			
	Franchise			
		1		
	MAKING TH	HE BUSINESS		
	EFFE	CTIVE		
usiness plans are important because:	Nine elements of a l	business plan are:		fors that will impact a business's
i)	i) ii)		i)	
ii)	iii) iv)		ii) iii)	
	v) vi)		iv)	
	vii) viii)			
	ix)			

Product Price Identify the three elements of the design mix: Identify and explain the five different pricing strategies: i) ii) iii) iii) iv) Draw and label the product life cycle: **MAKING THE BUSINESS EFFECTIVE (MARKETING MIX)** Promotional Advantages Disadvantages strategies Advertising Sponsorship Advantages Disadvantages Place Retailer Branding Product trials E-tailer (ecommerce) Special offers Social media (viral advertising)

Explain why each of th	e stakeholders below is interested in the activity of a firm		Identify three different pa				
Stakeholder	Reason		who may have conflicting	interests	:		
Owner/shareholder			vv				
Employee			vv				
Customers		•			Four differen	at tunes of techno	ology that
Government					are used by	nt types of techno firms are:	nogy that
Land annual in			EXTERNAL	\	i) ii)		
Local community			INFLUENCES		iii) iv)		
Suppliers							
Pressure groups			Identify two pieces	of consu	mer law:		
			i) ii)				

Identify three employment laws:

i) ii) iii)

	Explain the impact of an increase in the following factors on a small business		
	Unemployment		
EXTERNAL			
	Consumer income		
INFLUENCES			
	Inflation		
	Interest rates		
	Taxation		
	Exchange rate		