



St John  
Bosco  
College

6th Form

# Level 3 Business



“Failure is simply the opportunity to begin again, this time more intelligently” - *Henry Ford*

## Business Enterprise

### Introduction to business activity

Place the following examples of goods and services into the correct column of the table.

Tennis lesson	Window cleaning	Mobile phone
Dental check-up	Skateboard	SIM card
Pair of trainers	Loaf of bread	Nail polish
		Bus journey

Goods	Services

Explain the difference between a product and a service using examples of businesses in your local area that you are familiar with.

Explain the difference between customer needs and wants, making reference to relevant examples.

## Adding value



*Fairfields Farm* is a potato, maize and rye farm in the Colne Valley just north of Colchester in Essex. The farm grows, harvests, stores, washes, grades and bags twelve different potato varieties which are then supplied to wholesalers and retailers across the UK.

The farm also grows their own special varieties of crisping potatoes which are hand cooked on the farm and then used to produce the *Fairfields Farm* range of crisps. In 2017, *Fairfields Farm Crisps* launched a new and unique product to their range. The 'Heat & Eat' range of crisps is a microwaveable bag of crisps that is sold complete with a dip to complement the flavour of the crisps.

Define the term 'added value'.

Outline two methods that *Fairfields Farm* adds value to the potatoes they grow?

Method one:

Method two:

## Investigating local business

Think of a local business that you are familiar with and then complete the following table:

<b>Name of business:</b>
Does the business sell goods or provide a service? Include examples of the products or services it provides.
Who are the businesses customers (or target market)?
How does the business meet the customer's needs?
How does the business add value? Consider branding, design, quality and convenience.
What makes the business different from its competitors (unique selling point)?

# Entrepreneurship

## Characteristics of an entrepreneur

An entrepreneur can be defined as someone who has a business idea and develops it, making decisions, managing resources and taking risks.

From the list of entrepreneurial traits and characteristics select the five that you consider to be most important. Rank the five characteristics from 1 (most important) to 5 (least important) and give your reasons why you have selected the characteristic and ranked it where you have.

<i>Good leader</i>	<i>Decisive</i>	<i>Focussed</i>	<i>Able to use initiative</i>
<i>Creative</i>	<i>Resilient</i>	<i>Lucky</i>	<i>Hard-working</i>
<i>Determined</i>	<i>Persuasive</i>	<i>Risk-taker</i>	<i>Good communicator</i>

Rank order	Characteristic	Reason
1.		
2.		
3.		
4.		
5.		

## Making decisions

You have £50 in your bank account. You want to go to a festival and the ticket is £50. You also want to buy a new pair of trainers that are also £50.

State which are you going to spend your £50 on.

Define the term 'opportunity cost'?

Explain the opportunity cost of your decision?

## The role of an entrepreneur



Fraser Doherty set up *SuperJam* aged just 14. Using the recipe he learned from his Grandmother he began by selling his products at farmer markets and grew to becoming the youngest ever supplier to a major supermarket chain when Waitrose began selling his products in 2007. *SuperJam* is now sold in over 2,000 supermarkets around the world.

To be successful an entrepreneur must be able to fulfil three key roles. Explain how Fraser Doherty has fulfilled each of the roles of an entrepreneur in starting and building the *SuperJam* business.

Organising resources:

Making business decisions:

Taking risks:

## Risk and reward

### Risk

Explain the difference between 'risk' and 'calculated risk'?

A new pizza restaurant and takeaway has set up in your local area.

Outline two risks the business could face during the first couple of years of trading?

Risk 1:

Risk 2:

Outline the risks the owners of the pizza restaurant might face as a result of deciding to start their own business?

# The dynamic nature of business

## New business ideas

Complete the following table with an idea for a new start-up business.

What would the business do?
What sparked the idea for the business? Is it a new idea to solve an unsolved problem? Is it an adaptation of an existing idea?
Who would the businesses customers be (target market)?
How would the business meet customer's needs or wants?
How does the business offer something new or different to other businesses? Consider added value through branding, design, quality, convenience and unique selling point.

## Responding to change

Car manufacturers are producing new electric vehicles. Over the next 20 years, many nations have vowed to ban the internal combustion engine and the 'traditional' motor car. An electric car requires far fewer moving parts with no gear box and no internal combustion engine.

Outline one way that car manufacturers could respond to changes in the market?

Outline how the transition from the manufacture of combustion engines and gear trains to electric motors will affect employment at car plants?

Analyse how technological developments such as augmented reality will affect the skill set of a workforce in vehicle servicing?

## Financial Assessment

*Please make sure to show your workings*

Plaice Station is a fish and chip shop located by the sea in Whitby. It offers a wide choice of fresh fish for sale every day. The average selling price it charges per portion of fish and chips is £7.50. Plaice Station sells 200 portions of fish and chips on a Friday night, its busiest night of the week.

*Calculate the total amount of money Plaice Station takes on a Friday night from selling fish and chips.*

Affordable How-Sing is a housebuilding firm located in the Midlands. The business is very pleased with the increase in new house builds in the area. Last year, 217,350 new houses were built in the UK. This figure was 15% higher than the previous year.

*Calculate the number of houses that were built in the previous year.*

Beauty and the Beach is a tanning salon that provides a spray tan service. The owner has recently decided to reduce its selling price of its most popular spray tan from £30 to £22.50 to try and attract more customers.

*Calculate the percentage decrease in the selling price of one spray tan*

Amy Stake has been reviewing her new bank account which she opened in July since starting a summer job.

July (£) August (£)

Paid in 100.00 75.00

Paid out 75.00 60.00

a) Calculate how much money Amy had in her bank account at the end of July.

b) Calculate how much money Amy had in her bank account at the end of August

a)

b)