



KS4 Enterprise Knowledge Book

Name: _____
Teacher: _____
Form: _____



Saint Benedict
A Catholic Voluntary Academy



Love, Belief, Integrity, Knowledge



OUR VALUES

**BE WHO GOD MEANT YOU TO BE AND YOU
WILL SET THE WORLD ON FIRE.**

LOVE

As we know we are loved by God, we will learn to love ourselves and care for our own body mind and soul.

We will show love to one another by being patient and kind, not by being rude, boastful or proud.

As one body in Christ, we will ensure that no member of our community is left out or left behind

BELIEF

We will encourage one another and build each other up.

We will let our light shine, making the world a better place for all.

KNOWLEDGE

We will value knowledge: intelligent hearts acquire knowledge, the ears of the wise seek knowledge.

INTEGRITY

We will always strive to make the right choice even when this is the harder path to take.

We will live and work sustainably.

**AT SAINT BENEDICT
WE DEVELOP THE
CHARACTER OF OUR
COMMUNITY THROUGH
OUR CURRICULUM AND
CULTURE.**

Respect

What is Respect?

Showing respect is an important part of life, and how you maintain relationships.

Three types of respect:

1. Respect Yourself
2. Respect Others
3. Respect the Planet

Key words	Definitions
Respect	Due regard for the feelings, wishes and rights of others
Honour	The quality of knowing and doing what is morally right
Dignity	Sense of pride and self respect
Relationships	The way two or more people or groups connect and behave towards each other
Worthiness	The quality of being good enough

Why is respect important?

Receiving respect from others is important because it helps us to feel safe and to express ourselves. Respecting others helps maintain a peaceful world and encourages others to be better people. Showing respect to our planet allows us to maintain it for future generations.

1

Rules and Sanctions

Build up a loving community

Key word	
Conduct	The way in which a person behaves.
Unacceptable	Something that is not suitable or appropriate.
Boundaries	The limits of something.
Sanction	A penalty or action taken when a rule or law has been broken.
Consistent	Acting in the same way overtime to be fair.

Behaviour

Rules and sanctions are things which guide our behaviour. We follow rules and regulations to be fair and consistent. Sanctions occur if we do not follow rules or deliberately break them.

Preparation for life

All aspects of life require us to follow rules. There are rules in school; rules in your family and home; rules to follow when crossing the road and using the bus and so on. Structure and rules allow us all to know what is acceptable and how to conduct ourselves. Rules reassure us

The law

We are all bound by the rules of the law. If we break the law, we face a raft of different sanctions. Ultimately, having rules in schools is about a lifelong understanding about what is right and what is wrong.

2

Kindness

Key word

Empathy	Understand and share feelings of others
Compassion	Concern for misfortune of others
Compliment	Praise or congratulate others
Considerate	Thoughtfulness and sensitivity to others
Generous	Being liberal with things

Treat others how you would want to be treated yourself.

What is Kindness?

The quality of being friendly, generous and considerate

What does it mean to be kind?

To have empathy/sympathy, be compassionate, looking for good in people.

Why is it important to be kind?

Makes you feel happy, feel good about yourself

Builds strong relationships

Inspires others

How can we show kindness?

Smile

Hold the door open for somebody

Say something nice (compliment)

Invite somebody sat on their own to join you

Manners

Listen to somebody

3

Emotions

Key Words

Feelings	An emotional state or reaction.
Relationships	The state of being connected with someone else.
Instinct	A fixed pattern of behaviour.
Intuitive	Using what you feel to be true even without conscious reasoning.
Reaction	Something done, felt or thought in response to a situation or event.
Identification	The act or process of identifying someone or something.

Work and play in harmony

What are emotions?

Emotions are biological states associated with the nervous system.

Thoughts, feelings, behavioural responses, and relationships all generate emotions.

An instinct or, intuitive reaction or feeling can create emotions

Identifying feelings

Making sense of what and how you feel is not always easy. To do this, we need to regularly check in with ourselves, making time to think about the feelings we are having and naming them. To do this, we need to think about our daily lives which may help us to see patterns of behaviour.

Not all feelings or emotions are bad or negative!

It is important to recognise when you feel happy; relaxed and good about yourself. Knowing what has led to these feelings can help us identify things we do not like which may cause us negative feelings.

4

Verbal Communication

Treat each other with dignity and justice

Key Words	
Clarity	Vocal clarity means you do not speak too fast or too slowly. You consider carefully the words you mean and whether your listener can understand you.
Honesty	Honesty is speaking the truth.
Respect	Respect means that you accept somebody for who they are, even when they are different from you or you do not agree with them.
Appropriate	fitting the practical or social requirements of the situation.
Tone	a quality in the voice that expresses your feelings or thoughts, often towards the person being spoken to or the subject being spoken about
Courtesy	politeness, good manners, or consideration for other people.

What is verbal communication?

Verbal communication is the use of words to share information with other people.

What does it mean to communicate effectively?

Every time you verbally interact with someone you are aiming to develop your understanding of the world; you may be wishing to obtain information, respond to a request or offer support or guidance to another. In every one of these exchanges you are representing your tutor, your family and most importantly yourself.

Why is it important to communicate effectively?

All young people need to develop good speech, language and communication skills to reach their full potential.

Speech, language and communication underpin the basic skills of literacy and numeracy and are essential for you to understand and achieve in all subjects.

How can we communicate effectively?

Make eye contact

Speak honestly

Consider your role within the school

Consider the role of the person you are speaking to

Think carefully why you need to speak to the person you are addressing

Where necessary adapt as your conversation develops

5

Manners

Key Words	
Manners	A person's words or way of behaving towards others.
Respect	A regard for the feelings, wishes, or rights of others.
Listen	To take in what you hear.
Harmony	A time of behaving in one way to produce a pleasing effect.
Vocabulary	The range of words that we know and use.
Gratitude	The quality of being thankful; readiness to show appreciation for and to return kindness.

Loving...harmony...dignity

Treat your neighbour as yourself

The way in which we behave and speak towards others, reflects in their actions and words towards us.

Show the best side of yourself

When you speak to others, always show respect; be polite and thankful. Use the words 'please, thank you, sorry and pardon' when communicating with others.

Manners are for every situation

Every interaction has space for the use of manners: speech, emails, messages. Often when we get upset or angry we don't use manners.

However it does calm a situation if you do.

6

Change

Key Words	Definition
Change	Make or become different
Organised	Make arrangements or preparations for an event or activity
Opportunity	A time set of circumstances that make it possible to do something
Coping	To deal effectively with something difficult
Embrace	Accept (a belief, theory or change) willingly and enthusiastically
Strategies	A plan of action designed to achieve a long term or overall aim

Develop potential to the full

Find the positive

Don't allow yourself to become negative about the changes in your life. Change is good, keep repeating it.

Feeling vulnerable

Facing change can be very overwhelming, leaving you feeling very emotional. Make it your mission to be proactive and respond to it positively.

Talk about it

It's good to talk about change in your life. Focus on problems, solutions and the positives that change will bring. Try to avoid focussing on the negatives and letting emotions take over.

Study Skills – Ways to learn and remember

Self quizzing (look, cover, write)



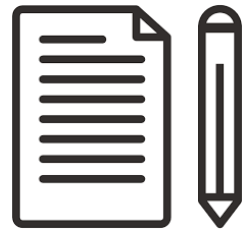
Read through the information in the knowledge book that you want to learn



Cover the information up



Write down as much as you can remember



Use the knowledge book to;

- a) Correct any mistakes
- b) Add any information that you forgot

1

Study Skills – Ways to learn and remember

Spacing



Complete a self quiz of the information you want to learn



Wait for a day or 2 (depending on the deadline)



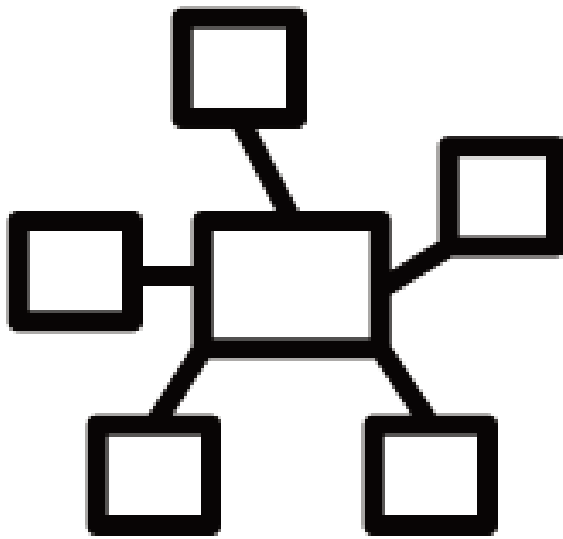
Repeat the self quiz.

The more times you can repeat this process, the more you will be able to remember without the book

2

Study Skills – Ways to learn and remember

Elaboration



Think about the topic that you are studying

Ask questions such as who, what, why, where, when how. Try to find the answers

See how these ideas connect - a mind map will be useful for this

3

Study Skills – Ways to learn and remember

Concrete Examples

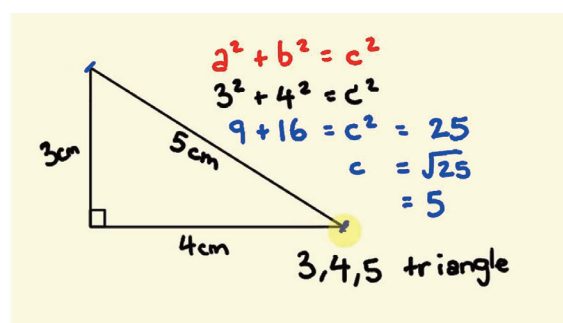


Pythagoras theorem example

If you tried to explain Pythagoras's theorem to someone verbally, it would be quite hard to understand.

By using a concrete example that shows exactly how to use Pythagoras theorem, it is much easier to remember, understand and use

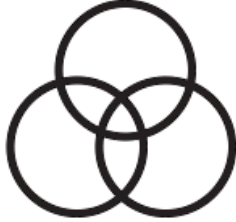
A concrete example is an clear example of an abstract idea



4

Study Skills – Ways to learn and remember

Interleaving



Research says we will actually learn more effectively if we mix our study skills up rather than using the same techniques all the time

1. Try to use different study skills rather than just one technique.
2. When revising for exams, prepare a revision timetable and try to revise more than one subject during a session

5

Study Skills – Ways to learn and remember

Dual Coding



As well as **writing** information down, **create an icon/ drawing** too for individual facts. This helps your brain to remember the information

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1.1 What is an Enterprise?

Key Term	Definition
Enterprise	An organisation that provides goods and/or services.
Entrepreneur	A person who sets up their own business
Entrepreneurship	The skills and ability to become an entrepreneur
Social Enterprise	A business that is set up to help others. It is different from a charity as it is still a profit making business.
E commerce	The process of buying and selling products & services by electronic means such as by mobile applications and the Internet.

Enterprises can offer goods, services or both:

Goods – something that is sold that you can touch

Services – something offered by a business to serve a purpose e.g. cleaning service

1

1.2 Size and Features of SMEs (Small/Medium Enterprise)

Size of SME	
Micro	Up to 10 staff members Run by the owner Usually sole trader or partnership
Small	11 – 49 staff members Usually sole trader, partnership or Private limited company
Medium	50 – 249 staff members Usually private limited company

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1.3 Types of Ownership

Type	Description	Advantages	Disadvantages
Sole Trader	Owned by one person.	Easy to set up Own boss Keep all profits	Finance difficult to raise Unlimited liability
Partnership	Owned by 2 to 20 people. All or some of the partners manage the business	Shared workload Share ideas and expertise	Disagreements between partners Share profits Unlimited liability
Private limited company (Ltd)	Owned and controlled by an individual or group of people known as shareholders. Shares can be sold to family and friends NOT TO THE PUBLIC.	Control over who owns shares Seen as reputable due to Limited liability	Shares can only be sold to family and friends. Rules and regulations to adhere to.

Unlimited liability:

Owners have the same legal identity as the business.

Possible loss of personal possessions if business fails.

Limited Liability:

Owners have separate legal identity from the business.

Owners will only lose money invested if the business fails.

3

1.4 Business Aims and Objectives

Business aims and objectives when starting up:

- Survival
- To make a profit
- Increase Sales
- Increase market share
- Financial security
- To be ethical
- To have a good reputation

Financial Objectives

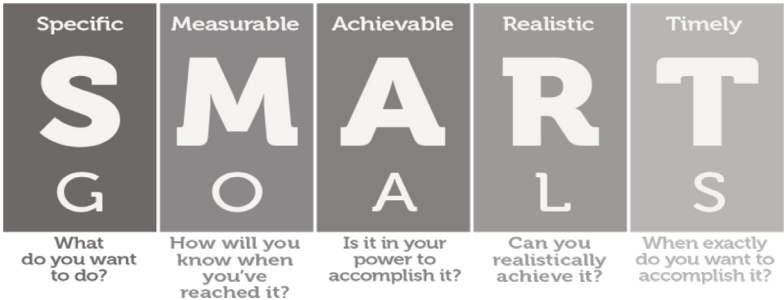
Objectives that have a financial focus e.g. to increase profit by 10%

Non-financial Objectives

Objectives that do not have a financial focus e.g. to gain a minimum of 4 star review on Google review

Aims: Business aims are the broad targets that an entrepreneur has at the back of their mind.

Objectives: Business objectives are clear, measurable targets of how to achieve business aims. The stepping stones for how they are going to achieve them.



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1.5 Skills & Characteristics of Entrepreneurs

Objectives of an Entrepreneur	Characteristics of an Entrepreneur	Skills of an Entrepreneur
They want to be their own boss	Innovative	Knowledge of the industry
They want to keep all the profits	Determined	Technical skills
They have an interest or a hobby that they want to develop	Risk takers	Communication skills
Unhappy with their present job	Decisive	Time management
More flexible working hours	Organised	Planning
Spotted a gap in the market	Assertive	Negotiation
	Hard working	Problem solving
	Flexible	Organisational

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1.6 Market Research

Key Terms	Definitions
Market Research	The process of gathering, analysing and processing data relevant to marketing decisions.
Primary Research	Collecting new data and information that has not been collected before.
Secondary Research	Gathers data from information that already exists.
Quantitative Research	Creates statistics that can be used to compare or find patterns e.g. questionnaire with closed questions
Qualitative Research	Looks into people's opinions, ideas and thoughts e.g. focus group

Primary Methods	Secondary Methods
Questionnaires	Online research
Observations	Books/journals
Interviews	Company data
Focus groups	Government statistics

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1.7 Understanding Customer Needs and Competitor Behaviour

Understanding Customer Needs	
Research Method	Information gathered
Questionnaires & Text message surveys	Understanding the market
QR Codes	Understanding and identifying needs
Happy/sad faces	Identifying expectations e.g. quality
Focus Group	Adapting products to meet different needs
Informal discussions and interviews	

Understanding Competitor Behaviour	
Research Method	Information gathered
Competitor websites	Anticipating and identifying competitor behaviour
Customer surveys	Producing products different to competitors
News/media	Competitive advantages
Social media	
Product reviews	

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1.8 SWOT Analysis

Strengths	Internal factors – something the business can change	Good quality products and services Highly skilled staff Good reputation Good distribution network
Weaknesses	Internal factors – something the business can change	Lack of training for staff Poor staff motivation Poor quality products High costs of production
Opportunities	External factors – something that is beyond the business's control	Development of new technology Competitor goes out of business Change in consumer tastes Change in legislation
Threats	External factors – something that is beyond the business's control	New competitors entering the market Competitors dropping the price Change in legislation Change in the economy

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1.9 PEST Analysis

Political	Changes or factors happening with government policies and laws	Change in government or prime minister Changes in the law Effect of wars Effect of change in tax Relationship with other countries
Economic	Factors that relate to the economy as a whole	Employment levels Interest rates Inflation People's incomes
Social	Factors to do with lifestyles, culture and how people spend their time	Changes in trends and fashion Environmental concerns Changes in demographics Attitudes towards work and jobs
Technological	Any developments in technology	Developments in mobile technology Development of machinery Increase use of the internet

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2.1 Financial and Non-financial aims

Financial aims involve meeting money-based targets

Examples of Financial Aims
Increase profits by £x or x%
Decrease costs by £x or x%
Improve sales by £x a week
Increase monthly sales by x%

Non-financial aims do not involve money-based targets

Examples of Non-financial Aims
To benefit the local community
To recycle x% of all waste
To improve customer service
To gain x positive reviews a week

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2.2 Resources

Physical Resources	Resources that are tangible (can touch)	Building/land Equipment Raw materials IT Fixtures & fittings
Human Resources (HR)	The staff and people the business will need to operate	Employees Recruitment and selection Training and development needs
Financial resources	The money the enterprise will need to operate	Loans from family & friends Savings Bank loans Mortgage

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3.1 Market Segmentation and Targeting

Key Term	Definition
Target Market	The market (group of people) a business wants to sell their products and services to
Market Segmentation	Dividing the market up into sections according to characteristics
Demographic Segmentation	Using key characteristics of the population e.g. age, gender, income
Geographic Segmentation	Using different geographical characteristics and locations e.g. climate, rural/urban, city/county
Psychographic Segmentation	Grouping according to attitudes, lifestyles and personality
Behavioural Segmentation	Grouping according to customer behaviour e.g. usage rate, loyalty, desired benefits
Business to Business (B2B)	Businesses whose target market are other businesses
Business to Consumer (B2C)	Businesses whose target market are the general public

3.2 Marketing Mix - 4Ps

Product

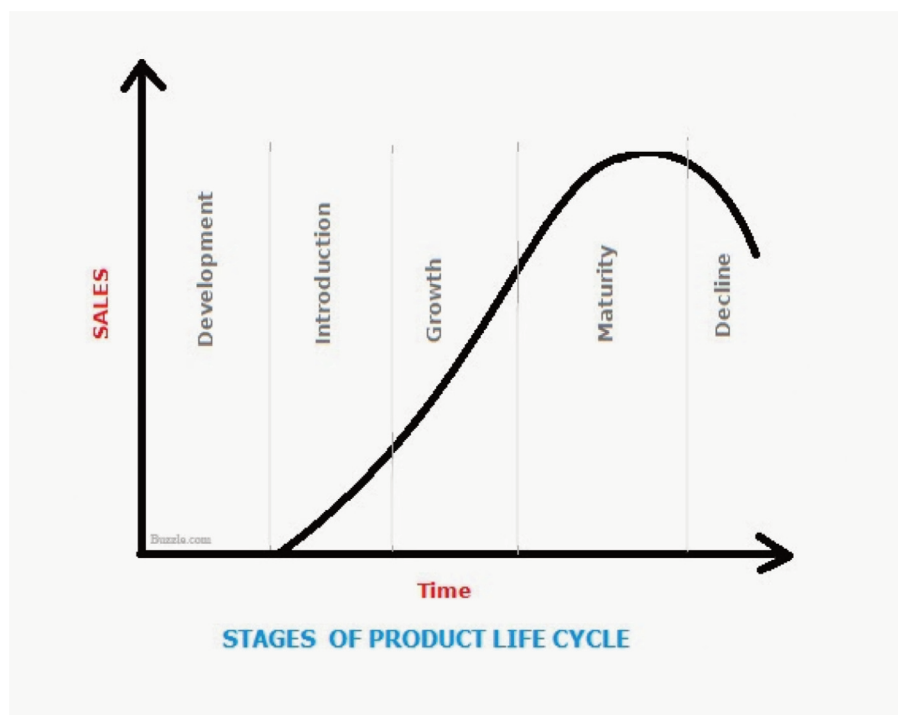
Key Terms	Definitions
Product Portfolio	The product range of a business – all the good and services they sell
USP	Unique selling point – something that a business can offer that no other business has
Branding	A brand is a product with unique character, for instance in design or image. It is consistent and well recognised.
Brand personality	Brand personality refers to a set of characteristics a business builds upon to influence the way people perceive its products and services

Price

Key Terms	Definitions
Skimming	Price is set high on launch then reduces through lifecycle
Penetration Pricing	Price is set low on launch then increases through lifecycle
Competitive pricing	Prices are set the same or similar to the competitors
Cost plus pricing	The costs of the product are calculated then the desired profit margin is added on to determine the selling price
Premium pricing	A product's price is set at a higher price than competitors to give a perception of high quality.

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3.3 Marketing Mix – Product Lifecycle



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3.4 Marketing Mix – Place and Promotion

Place

Key Terms	Definitions
Digital distribution	Selling and distributing products online
Physical distribution	Selling and distributing product from a retailer or wholesaler
Intermediary	The "middle-men" of distribution; businesses that facilitate the products getting from the manufacturer to the consumer e.g. wholesaler
Wholesaler	The distribution channel that buys in bulk and sells to retailers rather than to consumers, e.g. Costco

Promotion

Key Terms	Definitions
Promotion mix	The range of promotional methods a business uses to communicate to customers
Above the line promotion	Used when the focus is on mass media promotion to reach a large audience. It includes radio, TV and print media.
Below the line promotion	Directed to reach a small, targeted audience. BTL includes marketing activities such as brochures, direct mail, flyers, sponsorships and email campaigns.

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3.5 Methods of Promotion

Method	Definition
Advertising	Where a business pays for space in the media to communicate with the public about its products and services.
Public relations (PR) and online public relations (OPR)	A method of promotion that the business does not pay for directly. It is used to place information about the product or business in the media.
Social media marketing	Using all social media platforms to promote an enterprise and/or their products
Personal selling	This is where a representative of a business contacts potential customers directly, usually face to face.
Direct marketing	When a business communicates with their customers directly to try to sell them something e.g. email, text message
Sales promotion	Something a business offers its customers as an incentive to buy e.g. 20% off, loyalty cards, free samples

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3.6 Promotion Mix

Key Terms	Definitions
Promotion mix	The range of promotional methods a business uses to communicate to customers
The message	What the form of promotion needs to say
The medium	How the message is communicated to the customer e.g. TV

Advertising

Type	Where it is used
Moving image and video	TV, cinema, YouTube
Print	Newspapers, magazines, billboards
Ambient	In public spaces such as sides of buses, bus stops.
Digital	Websites, text message, email
Audio	Radio, Spotify, Amazon music

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3.7 Sales Promotion and Personal Selling

Sales Promotion

Key Terms	Definitions
Sales Promotion	An "offer" or incentive on certain products and services
Money off/discount	A business give the customer a discounted price e.g. 20% off
Loyalty scheme/ incentives	Customers are rewarded for their loyalty e.g. Tesco Clubcard, Costa
Free samples	Customers are able to try something for free before they buy it.
Competitions	Customers have the chance of winning prizes when they buy a product

Personal Selling

Key Terms	Definitions
Personal selling	Where a representative contacts potential customers directly. They use interpersonal skills to persuade customers to buy.

Methods include:

Face to face
Telephone
Email
Video Conferencing

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3.8 Public Relations and Direct Marketing

Public Relations

Key Terms	Definitions
Public Relations	Promoting a product/service by placing information about it in the media without paying for the time or media space directly
Press Release	An article that is produced by a business to share information with the media.
Exhibition	An event where many companies display their goods and services in the same venue e.g. Good Food Show
Promotional Stunts	A unique one-time event to catch potential customers eyes and attract media attention.
Sponsorship	Where a business pays to have its brand or products displayed at an event or something associated with the business.

Direct Marketing

Key Terms	Definitions
Direct Marketing	When a business communicates with a business directly to try to sell them something.
Direct Mail	Leaflets, letters and brochures about new products or special offers posted directly to customers.
Mail order catalogues	Catalogues that give details and show images of products to buy e.g. Avon.
Telemarketing	Customers are telephoned and told about a company's products and offers.
Digital mail	Text messages and email sent directly to customers from businesses with offers and product information.

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3.9 Financial Documents

Purchase Order	When a buyer orders goods from a seller. It creates a legal offer to buy from the seller.
Delivery Note	Created by the seller and given to the buyer when a delivery is made to give details of the delivery.
Goods Received Note	Completed by the buyer to confirm what was delivered by the seller after the buyer has checked the delivery.
Invoice	Completed by the seller to outline the money owed to them and requesting payment from the customer.

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3.10 Financial Documents

Credit Note

If the customer returns goods or wrong items were delivered, the seller completes this document to show the refund given.

Statement of account

A summary of orders and payments made between the seller and regular customers, completed by the seller.

Receipt

Created by the seller (ABC) to give proof to the buyer that the order has been paid for (proof of purchase).

Remittance advice slip

A document produced by the seller for the customer to return to them as proof they have paid the invoice.

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3.11 Payment Methods

Method of Payment	Description	Pros	Cons
Cash	Using physical money to pay for a good / service.	Some businesses do not have technology to accept payments "Cash only signs". You wouldn't electronically pay for something really cheap e.g. 10p sweet.	Many businesses card only. Businesses could give the wrong change.
Debit Card	Enables the buyer to pay for items using a card. Money comes straight from the bank account.	No interest charges or extra charges unlike credit cards The customer can see bank statements and recent transactions.	There needs to be enough money in the bank account Debit cards can be stolen and used if its contactless and no pin is needed.
Direct Debit	Is when you tell your bank to make a bill payment from your bank account on a specific future date. Used for regular payment	Allows for regular payments for e.g. bills, loans, so there is no need for the customer to keep on making payments themselves.	The business may keep taking money from the customer each month even if no money is owed if the direct debit is not cancelled.

3.12 Payment Methods

Method of Payment	Description	Pros	Cons
Credit Card	It allows the customer to pay for something using a credit card company's money . The customer can spend an agreed limit and has to pay the money back in the future, with interest	Allows the customer to spend when they do not have money in their own bank account. Anything bought is insured as it's not the customers money that is being used.	The customer has to pay the money back plus high interest on top. Some businesses charge extra to customers called 'surcharge' when a customer uses this type of card.
Payment Technologies	Pay Pal Apple Pay Mobile payments Allow payments to be made online (e commerce) and quickly as bank details are stored.	Allows for quick payments without the need to enter debit / credit card details or pin numbers as it automatically knows customers bank details. The customer can buy from anywhere in the world and online.	Log on details and bank details could be hacked. If the customer's phone is stolen, it is easy for someone else to steal the customers bank details.

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3.13 Costs and Revenue

Costs

Key Terms	Definitions
Costs	Money paid out by the business for items they need
Start-up costs	All the money spent on the business before the first day of trading
Running costs	The money spent on the business after day 1 of trading
Fixed costs	Costs that don't change with the level of output or number of customers e.g. rent
Variable costs	Costs that do change with the level of output or number of customers e.g. stock

Revenue

Key Terms	Definitions
Revenue	All money earned by the business
Sales revenue/ turnover	All money earned from sales and normal trading activities
Sales revenue formula	Number of units sold x selling price of one unit

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3.14 Profit & Loss Account/Statement of Comprehensive Income

Sales		£25 000
Cost of Sales		£7 000
Gross Profit		£18 000
Expenses:		
Wages	£5 000	
Insurance	£2 000	
Advertising	£3 000	
Total Expenses		£10 000
Net Profit/Loss		£8 000

Key Terms	Calculation/Definition
Gross Profit	Sales – Cost of Sales
Total Expenses	All expenses added together
Net Profit/Loss	Gross Profit – Total Expenses
Cost of Sales	Money spent on stock
Sales	Money earned from sales

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3.15 Balance Sheet/Statement of Financial Position

	£	£
Fixed Assets		
IT Equipment	3 245	
Home Office Fixtures	1 450	
Total Fixed Assets		4 695
Current Assets		
Inventory (Stock)	256	
Debtors	235	
Cash at Bank	510	
Total Current Assets	1 001	
Total Current Liabilities	435	
Net Current Assets	566	
Net Assets		5 261

Key Terms	Calculation/Definitions
Fixed Assets	Something the business owns for more than a year
Current Assets	Something the business will own for less than a year
Debtors	People or businesses that owe the business money
Current Liabilities	Debts of the business that will need to be repaid within a year
Net Current Assets (working capital)	Total current assets – Total current liabilities
Net Assets	Total assets (fixed + current) - current liabilities

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3.16 Stakeholders

A stakeholder is a person, group of people or another organisation who has an interest in a business.

Stakeholders can influence and/or be influenced by the business.

Stakeholder group	Typical objective/interest
Employees	Secure jobs, Higher earnings
Owners/Shareholders	High dividends and share price
Lenders	To be paid on time
Government	Legal behaviour, taxes paid, growth
Suppliers	Paid on time, kept informed of any changes to the business (for example, any proposed reduction in output)
Customers	Accurate information on the product, good service, value for money, good quality
Managers	Achieve targets to earn bonus, promotion

3.17 Profitability and Liquidity

Key Term	Definition/Formula
Profitability	The ability of a business to create profit
Liquidity	The ability of a business to pay its debts
Gross Profit Margin (%)	$(\text{Gross profit} / \text{Sales revenue}) \times 100$ Shows profitability of a business – the higher the better
Net Profit Margin (%)	$(\text{Net profit} / \text{Sales revenue}) \times 100$ Shows profitability of a business – the higher the better
Current Ratio	$\text{Current Assets} / \text{Current Liabilities}$ Shows liquidity of a business – businesses aim for 2:1
Liquid Capital Ratio	$(\text{Current Assets} - \text{Inventory}) / \text{Current Liabilities}$ Shows liquidity of a business – businesses aim for 1:1

3.18 Cash Flow Forecast/Statement

Cash Inflows	Jan £	Feb £	Mar £	Apr £
Sales	10 000	8 500	9 000	7 500
Total Inflow (A)	10 000	8 500	9 000	7 500
Cash Outflows				
Stock	3 500	4 000	3 750	5 250
Wages	2 000	2 500	2 250	2 100
Advertising	1 500	1 500	2 500	2 000
Total Outflow (B)	7000	8000	8 500	9 350
Net cash flow (C) (C = A – B)	3 000	500	500	(1850)
Opening Balance (D)	2 500	5 500	6 000	6 500
Closing Balance (E = D + C)	5 500	6 000	6 500	4 650

Key Terms	Definitions/Calculations
Cash Inflow	Money coming into the business from different sources
Cash Outflow	Money spent on expenditure
Net Cash Flow	Total Inflow – Total Outflow
Opening balance	Cash held on the first day of the month – closing balance from previous month
Closing balance	Cash held on last day of the month: Net cash flow + opening balance
Cash surplus	Where inflow exceeds outflow, positive closing balance.
Cash deficit	Where outflow exceeds inflow, a negative closing balance.

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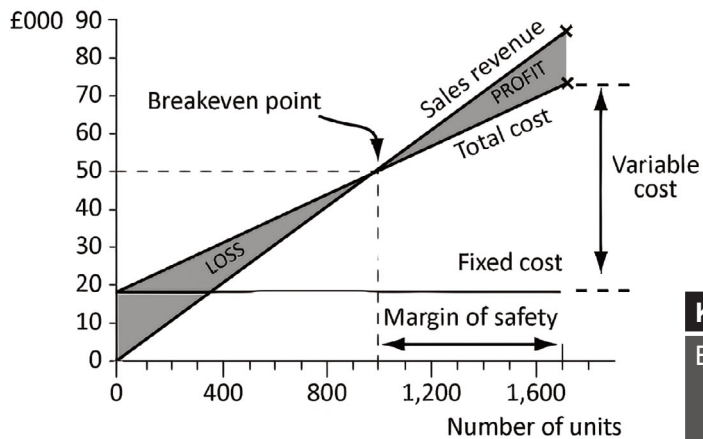
3.19 Budgeting

	Budget January (£)	Actual January (£)	Variance (£)	Adverse/Favourable
Revenue/Sales	100 000	120 000	20 000	F
Expenditure				
Wages/labour	10 000	15 000	5 000	A
Materials	25 000	20 000	5 000	F
Marketing	15 000	25 000	10 000	A
Running costs/overheads	40 000	37 000	3 000	F

Key Terms	Definitions
Budgeting	The process of setting the budget
Budgetary Control	The process of comparing and analysing actual figures with budget figures and taking necessary action.
Variance Analysis	Calculating the difference between actual and budget figures
Favourable Variance	When the actual figure is better than the budgeted one
Adverse Variance	When the actual figure is worse than the budgeted one.

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3.20 Break Even Analysis



Key Terms	Definitions/Calculations
Break-even point	The point where revenue equals costs; no profit or loss is made. Expressed as a number of units.
Break even formula	$\frac{\text{Fixed Costs}}{(\text{Selling price} - \text{variable cost per unit})}$
Margin of Safety	Actual number of units sold – break even units

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3.21 Sources of Finance – Internal

Key Term	Definition
Savings/Owner's funds	Money the owner already has through savings
Borrowing from friends and family	Money borrowed usually without interest, and has flexible repayment
Retained Profit	Profits from previous years kept in the business's bank or saving account
Sale of assets	Selling assets e.g. property to raise funds

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3.22 Sources of Finance - External

Key Term	Definition
Mortgage	A loan to buy land or property, usually low interest rates. The loan is secured on the asset.
Share Capital	Selling shares in the business. Can only be used by private and public limited companies.
Hire Purchase (HP)	A loan secured on an asset that has fixed repayments e.g. vehicles
Leasing	Renting items instead of buying e.g. vehicles or machinery. The asset will never be owned by the business.
Bank loan	A sum of money borrowed from a bank that will be repaid over a fixed period of time. Interest will be added.
Peer to Peer lending (P2P)	Allows businesses to obtain loans from individuals other than banks using an online platform. They match the lender to the customer.
Business Angels	A person who invests financially into a business but does not necessarily want to be involved in the running of the business.

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3.23 Sources of Finance - External

Key Term	Definition
Bank overdraft	An extension to a business's bank account. The account will show in negative figures, high interest is charged for the time the account is overdrawn.
Crowdfunding	Funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via the internet.
Trade Credit	A business-to-business (B2B) agreement in which a customer can purchase goods without paying cash up front, and paying the supplier at a later scheduled date.
Government and Charity Grants	A sum of money gifted to the business, doesn't have to be repaid. It can have a very lengthy application process.

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INDEPENDENCE: DIAGNOSIS – THERAPY - TEST

NAME: CLASS:

TOPIC:

DIAGNOSIS: The thing I don't understand

THERAPY: Where am I going to learn about this?

Which of the templates will I use to transform the information?

TEST: 5 questions someone can ask me about my new understanding.



INDEPENDENCE: DIAGNOSE

NAME: CLASS:

SUBJECT:

Be clear about what you know and what you don't know before you begin.

First, use a contents page or a topic list for the subject you are going to revise.

Then, fill in the following table – the topics, and how well you know them.

Next, prioritise. Which topics will you revise first? Spend time studying the topics which will make the biggest difference to your results.

Topic	Knowledge	Priority
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	
	Know it/Sort of know it/Don't know it	

Finally, use the **diagnosis – therapy – test** worksheet to plan your independent study.



INDEPENDENCE: PRIORITISE, REDUCE, CATEGORISE, EXTEND

NAME:	CLASS:
TOPIC:	

Take a section of text and do the following:

Prioritise: write out the three most important sentences. Rank 1-3 in terms of importance. Justify your decision.
Reduce: reduce the key information to 20 words.
Categorise: sort out the information into three categories. Give each category a title which sums up the information.
Extend: write down three questions you would like to ask an expert in this subject.



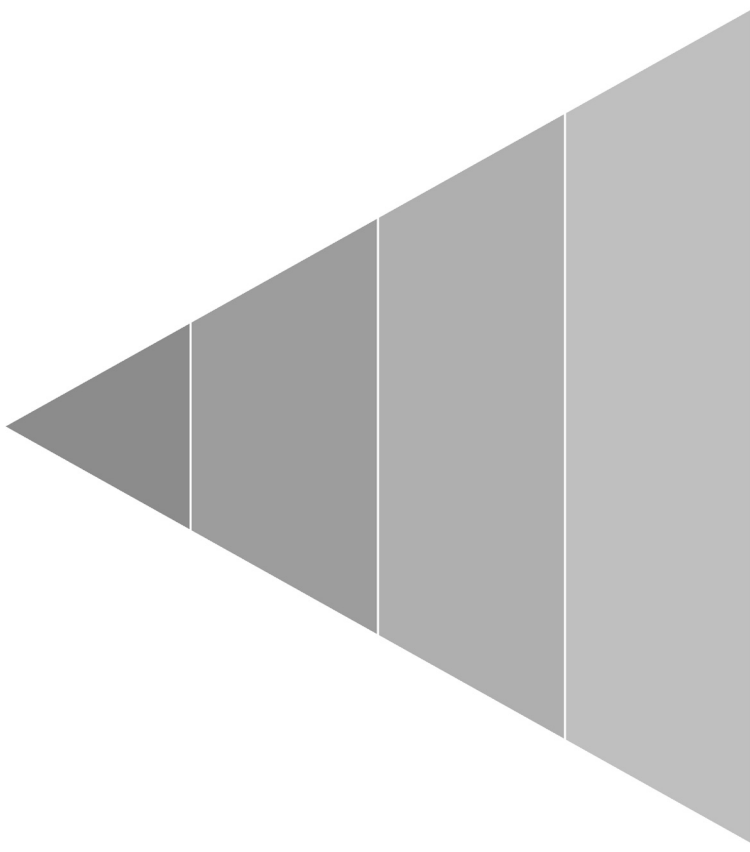
INDEPENDENCE: RANKING TRIANGLE

NAME:	CLASS:
TOPIC:	

The most important information goes at the top.

The least important information goes at the bottom.

Justify WHY. Why is it the most important? Why is it the least important?





INDEPENDENCE: QUIZZING

NAME: CLASS:

TOPIC:

Read the text and transform it into 10 questions to ask someone.

Question	Answer
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Question stems:

- State... Explain... Suggest...
- Describe... Evaluate... Compare...



INDEPENDENCE: BOXING UP

NAME: CLASS:

TOPIC:

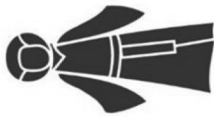
Take a section of text. Read it and put your thoughts about the text into different boxes.

Needs a boost: 3 things I did not know:	
Almost there: 3 things I understand better now:	
I've got these: 3 things I already knew:	



INDEPENDENCE: OTHER IDEAS

- Steps → flow chart** Transform a sequence of steps into a flow chart or a diagram.
- Flow chart → steps** Transform a flow chart or a diagram into a sequence of steps.
- Look, cover, write, check** Cover a list of key words. Write them down. Check which ones you have got right. Repeat until you get them all right.
- Link key words** Take three words from a topic. Link them together in a sentence or a diagram. Repeat until all the key words have been linked.



INDEPENDENCE: Pictionary

NAME: CLASS:

TOPIC:

Transform the material into 6 pictures – one per paragraph or one per key piece of information. The pictures should represent the information so that they can act as a reminder of what the text said. Underneath each picture, explain your thinking.

1.	2.	3.

4.	5.	6.

