



DIXONS
SIXTH FORM
ACADEMY

SUMMER WORK: A LEVEL BUSINESS

20

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About the Summer Work

This booklet contains a number of tasks that students are expected to complete to a good standard in order to be able to be enrolled in this subject.

Please complete these tasks on A4 paper and bring them with you to your first Business lesson.

The work handed in should be:

- written in black or blue ink on A4 lined paper
- written in full sentences with no copying and pasting from external sources
- have all compulsory tasks completed
- have students full names on each sheet
- multiple sheet should be connected together

This booklet also contains significant additional information and a range of optional tasks. We would encourage you to complete all the tasks including the optional ones to fully prepare for Sixth Form study.

Welcome to Business

Subject outline

Running a successful business is incredibly demanding and requires a high level of knowledge, skills and personal drive. Studying A level Business at Dixons, you will acquire the understanding and technical skills to make effective, evidence based decisions. However, Business is an “Art” as much as a “Science” and during the course we will explore topics such as the subtleties of managing Human Resources and the influences that change our consumer purchasing patterns. There is no requirement to have studied Business at GCSE level and the objective of this bridging work is to ensure that all students start with a solid foundation of understanding, upon which we can build.

So, whether you are a budding entrepreneur or you are just interested in finding out how businesses operate. I hope you will find this bridging work is both mentally challenging and stimulating.

We follow the Aqa specification and these are the main topics covered:

Year 1.

1. What is business?
2. Managers, leadership and decision making
3. Decision making to improve marketing performance
4. Decision making to improve operational performance
5. Decision making to improve financial performance
6. Decision making to improve human resource performance

In YR2 of the course, businesses are examined from a strategic, rather than functional, viewpoint. You will study the different strategic directions businesses will take and how they will then go about pursuing these strategies. The specific sections are:

7. Analysing the strategic position of a business
8. Choosing strategic direction
9. Strategic methods: how to pursue strategies
10. Managing strategic change

Key skills

Success in Business requires competence in numeracy and the ability to rearrange basic equations and to draw conclusions from analysing financial information and some of the tasks in this booklet are designed to assess this ability.

The assessments are outlined below and each exam has at least one essay. Students need to be able to write coherently and make well developed arguments, which show a good understanding of the wider world of business. Students are therefore encouraged to keep up with the news and current affairs.

Summary of assessment

There are 3 exams, each one is 2 hours and worth 100 marks

Paper one:

Section A has 15 multiple choice questions.

Section B has short answer questions.

Section C has two essay questions (both a choice of one from two).

Paper two:

Three data response compulsory questions made up of three or four parts.

Paper three:

One compulsory case study followed by approximately six questions.

Examples can be found on the AQA website, see link below.

Careers & Higher Education

Business A level can open the door to a wide variety of apprenticeship and degree options. There are a large number of prestigious UK businesses which offer a degree apprenticeship in Business, where the candidate can work in different parts of the organisation, whilst being paid and also studying for a degree in Business. Alternatively, Business is a very popular degree course at Universities around the country and there are also a wide variety of courses combining Business with accounting, languages or computing to name but a few. Studying Business also provides practical skills and knowledge of great value for employment. There is a detailed list Business related careers below, but popular options include; Accountant, Management, Entrepreneurship and Business Consultant. 12% of all employment in the Bradford area is in manufacturing, which is greater than the national average and there are particular strengths in engineering and digital sectors. These businesses have a growing demand for skilled managers and a degree in Business is an excellent foundation for this. The key skills of data analysis, strategic planning and creative marketing are all covered during the A level Business course and this can be an ideal springboard for further study or meaningful employment.

Summer work tasks

Question 1

A Level Business requires that you can manipulate data about a company to make well informed decisions. For this task you have been given some information about a small manufacturing business and your task is to calculate some key figures to help you understand how the business is performing and to evaluate changes over time.

To do this, I will introduce you to some of the most important ideas that you will need for success in A Level Business. You will work with each idea one by one to get you started.

Once you have completed each mini task, complete the summary grid below to show that you have a complete understanding of the manufacturing business.

Table 1 (figures relate to the full year)

	2021	2022
Output	10,000	12,000
Selling price per unit	£1.20	£1.20
Sales Revenue	£12,000	1a)
Fixed Costs	£2,000	£3,500
Variable Cost per unit	£0.70	£0.80
Total Variable Cost	1b)	1b)
Total Cost	1c)	1c)
Profit	1d)	1d)
Contribution per unit	1e)	1e)
Total Contribution	1f)	1f)
Breakeven output	1g)	1g)
Number of workers	50	25
Labour productivity	1h)	1h)
Capacity	11,000	16,000
Capacity Utilisation	1i)	1i)
Average cost per Unit	1j)	1j)

Formula Name	Formula	Guidance
Sales Revenue	Output x selling price	Eg. 50 units sold at £10 each = £500 Sales Revenue

Q 1a) Using the above information now complete the Sales Revenue for the business (I have done 2018 for you).

	2021	2022
Output	10,000	12,000
Selling price per unit	£1.20	£1.20
Sales Revenue	£12,000	1a)

Formula Name	Formula	Guidance
Fixed Cost	Costs which do not change as output varies Eg rent	https://www.tutor2u.net/business/reference/business-costs-video
Variable Cost	Costs which change as output varies Eg raw material	https://www.tutor2u.net/business/reference/business-costs-video
Variable cost per unit		All the variable costs to make 1 unit
Total variable cost	Variable cost per unit x output	Eg. 50 units sold with V.C./unit of £4 each Total variable cost = £200

Q 1b) Using the above information now complete the Total Variable Cost for the business.

	2021	2022
Output	10,000	12,000
Variable Cost per unit	£0.70	£0.80
Total Variable Cost	1b)	1b)

Formula Name	Formula	Guidance
Total Cost	Fixed cost + Total Variable cost	https://www.tutor2u.net/business/reference/business-costs-video

Q 1c) Using the above information now complete the Total Cost for the business.

	2021	2022
Fixed Costs	£2,000	£3,500
Variable Cost per unit	£0.70	£0.80
Total Variable Cost	1b)	1b)
Total Cost	1c)	1c)

Formula Name	Formula	Guidance
Profit	Sales Revenue Minus Total cost	Eg. £500 Sales Revenue £100 Fixed Cost £200 Variable cost Profit = £200 (£500 - £300)

Q 1d) Using the above information now complete the Profit for the business.

	2021	2022
Sales Revenue	1a)	1a)
Total Cost	1c)	1c)
Profit	1d)	1d)

Formula Name	Formula	Guidance
Contribution per unit	Selling price – Variable cost per unit	https://www.tutor2u.net/business/reference/breakeven-analysis-contribution-contribution-per-unit-explained

Q 1e) Using the above information now complete the Contribution per unit for the business.

	2021	2022
Selling price per unit	£1.20	£1.20
Variable Cost per unit	£0.70	£0.80
Contribution per unit	1e)	1e)

Formula Name	Formula	Guidance
Total contribution	Sales Revenue – Total variable cost	https://www.tutor2u.net/business/reference/breakeven-analysis-contribution-contribution-per-unit-explained Also calculated by: Contribution per unit x output

Q 1f) Using the above information now complete the Total Contribution for the business.

	2021	2022
Output	10,000	12,000
Contribution per unit	1e)	1e)
Total Contribution	1f)	1f)

Formula Name	Formula	Guidance
Breakeven output	$\frac{\text{Fixed cost}}{\text{Contribution per unit}}$	https://www.tutor2u.net/business/reference/calculating-profit-contribution-and-breakeven

Q 1g) Using the above information now complete the Breakeven output for the business.

	2021	2022
Fixed Costs	£2,000	£3,500
Contribution per unit	1e)	1e)
Total Contribution	1f)	1f)

Formula Name	Formula	Guidance
Labour Productivity	$\frac{\text{Output}}{\text{Number of workers}}$	https://www.tutor2u.net/business/reference/labour-productivity-video Eg. 1,000 units produced per week by 10 workers = 100 units/worker/week

Q 1h) Using the above information now complete the Labour Productivity for the business.

	2021	2022
Output	10,000	12,000
Number of workers	50	25
Labour productivity	1h)	1h)

Formula Name	Formula	Guidance
Capacity	The maximum production possible during a period of time	https://www.tutor2u.net/business/reference/capacity-management-overview
Capacity Utilisation	$\frac{\text{Actual output}}{\text{Capacity}} \times 100$	https://www.tutor2u.net/business/reference/capacity-management-overview Eg. A factory has a capacity (maximum output) of 50,000 units per week. Current output is 30,000 units per week. Capacity utilisation = 60%

Q 1i) Using the above information now complete the Capacity Utilisation for the business.

	2021	2022
Output	10,000	12,000
Capacity	11,000	16,000
Capacity Utilisation	1i)	1i)

Formula Name	Formula	Guidance
Average Cost per unit	$\frac{\text{Total cost}}{\text{output}}$	https://www.tutor2u.net/business/reference/economies-of-scale-video

Q 1j) Using the above information now complete the Average cost per unit for the business.

	2021	2022
Output	10,000	12,000
Total Cost	1c)	1c)
Average cost per Unit	1j)	1j)

Now that you have completed each mini task, go back and complete the summary grid on the first page of this task.

Question 2

The company referred to in question 1, made a significant investment in new machinery in 2022. This enabled them to reduce the workforce and increase their capacity. Explain below whether you think this was a good decision for the business, based on both the long term and the short term. Support your answer with information from Table 1 on page 3.

(12 marks)

Note: This should be 2 paragraphs of well written analysis of the data. Type your answer below or on lined A4 paper.

Question 3

Here is information regarding Economies of scales and you can find out more by watching this revision video: <https://www.tutor2u.net/business/reference/economies-of-scale-video>

Theory Name	Definition
Economies of scale	Cost per unit falls as output rises
Internal Economies of Scale	Arise from increased output of the business itself
External Economies of Scale	Occur within an industry, as it grows

Using the above information to help you, read the Vodafone article on the next page and then make a table as shown below. For each type of Economy of Scale, write an appropriate definition and a relevant example for Vodafone, including a direct quote from the case study.

Type of Economy of Scale	Definition	Quote from the Vodafone text
Buying		
Technical		
Marketing		
Network		
Financial		

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Independent Research Task

You need to research three different business offering different products and services.

One business must be local – Operates only in Bradford

One business must be national – Operates across the UK with multiple locations

One business must be international – Operates across the world

You must research each business to find out the following:

- Mission and vision of the company
- Values of the company
- Key objectives for the year ahead
- The form of the company and if it has shares listed on any stock markets
- What products/ services they sell
- How many products/ services are sold each year
- Biggest selling product/service and worst selling product/ service
- Who their target customers are
- How they promote their product/ service
- How strong is the brand
- Physical locations where products/ services are sold and/or online
- Who is the CEO (Chief Executive Officer)
- What is their leadership style?
- Annual sales revenue or turnover
- Annual profit
- Who the key competitors are in the market they serve
- Where the products are made (manufactured) or services are delivered from
- Any outsourcing that the company does
- How many employees the company has
- How the company motivates employees

Q1	<p>Balti Towers is an Indian takeaway that also offer a delivery service. Last year, the business delivered 1,400 curries. This year, the owner estimates that they will deliver 1,512 curries.</p> <p>Calculate the estimated percentage increase curry deliveries.</p>
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Your workings:

Q2	<p>School of Choc is a confectionary manufacturer located in County Durham. The business employs 120 staff. The ratio of male to female staff is 2:3.</p> <p>Calculate how many female staff School of Choc employs.</p>
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Your workings:

Q3	<p>Jimmy Chews is a sweet shop located in Wetherby. This year, the owner estimates that the business, which also sells soft drinks, will sell 3,360 cans of coca cola, 5% more than last year.</p> <p>Calculate how many cans of coca cola Jimmy Chews sold last year.</p>
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Your workings:

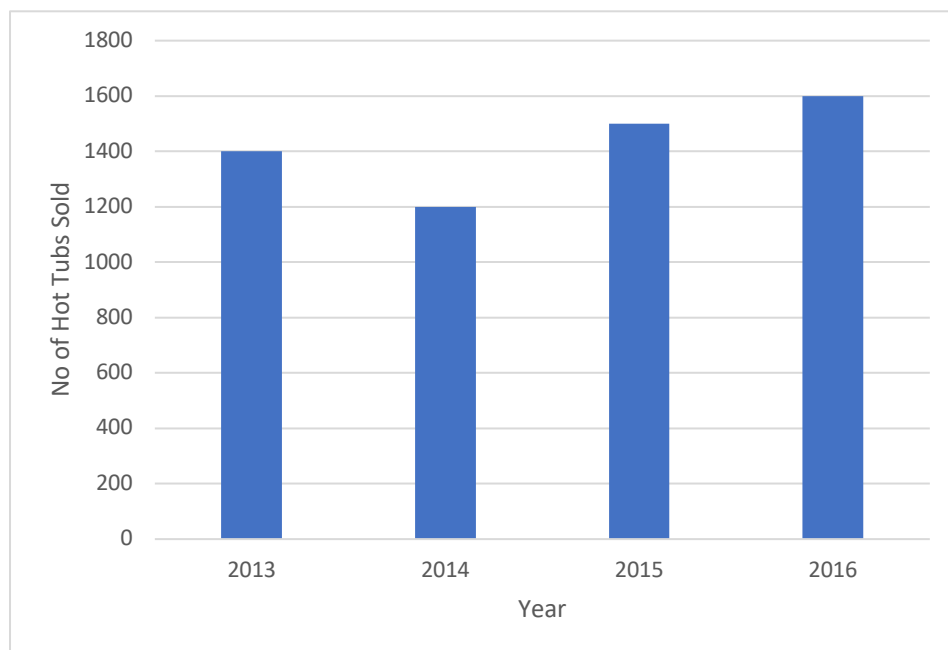
Q4 Bubblicious is a hot tub manufacturer located in Chester. Their hot tubs retail for £4,500. The manufacturing cost per hot tub is $\frac{2}{5}$ of the selling price.

Calculate the cost of manufacturing one hot tub.

Your workings:

Q5 The chart below shows the number of hot tubs Bubblicious sold between 2013 and 2016. The owner, estimates that in 2017, hot tub sales will be 5% lower than in 2016.

Calculate the average annual sales of hot tubs between 2013 and 2017.



Your workings:

Q6	<p>Melchester Rovers Football Club can seat 42,000 spectators. Last week, when they played Harrogate Town, there were 36,960 spectators.</p> <p>Calculate the percentage of empty seats.</p>
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Your workings:

Q7	<p>A family of four, on holiday in the UK from Spain, visited the 'Whale of a Time' sea life centre in London. The total entrance cost for the family was £90.</p> <p>Assuming an exchange rate of £1: €1.08, calculate the total entrance cost in Euros.</p>
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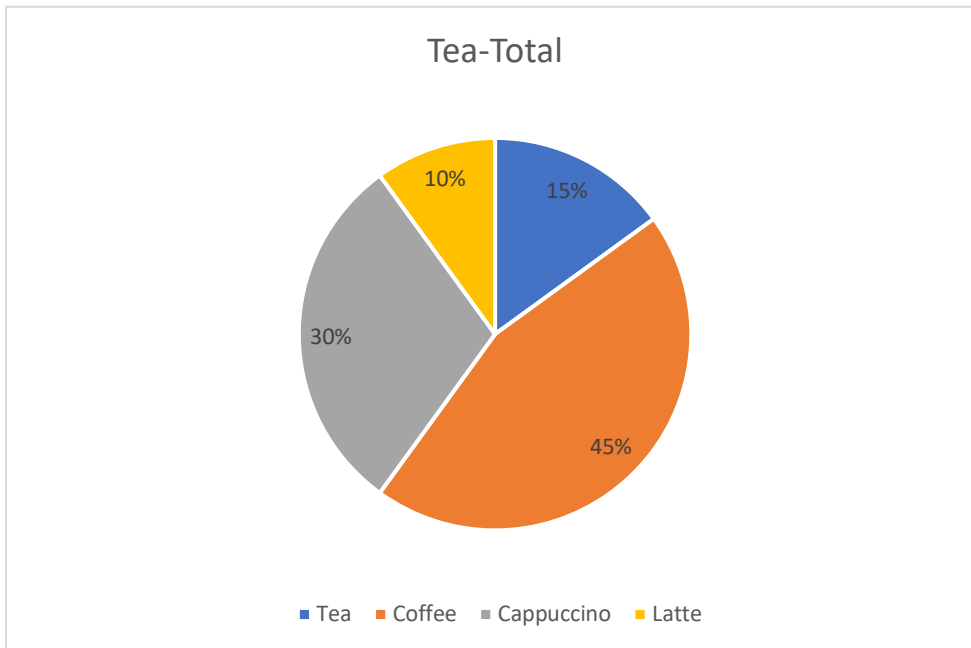
Your workings:

Q8	<p>Loft in Space, a manufacturer of loft insulation, took 80 of its employees on a two-day team building trip to an outdoor activity centre in the Lake District. The total cost of the trip was £9,600. The accommodation cost per was $\frac{3}{5}$ of the total cost per employee.</p> <p>Calculate the accommodation cost per employee.</p>
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Your workings:

Q9

Tea-Total is a café in Cumbria. Below is a pie chart showing the percentage of drinks purchased for a group of 200 customers.



(A) Calculate how many customers purchased a coffee

(B) Calculate how many customers did not purchase a tea

(C) Calculate the fraction of customers that purchased a Latte

Your workings:

Q10

Graham Riley is an employee of Father Treads, a business that specialises in car tyres. Graham attends a meeting at Head Office, travelling 60 kilometres each way. Graham is entitled to claim travel expenses at 45p per mile.

	Based on the assumption that 10 kilometres is equivalent to 6 miles (approximately), calculate how much Graham is entitled to claim.
Your workings:	

Q11	Car-tastrophe is a car showroom based in Stanhope. The business consists of one manager and 3 salesman, Jim, Jon and Joseph. Each month, a sum of money is paid as a bonus and is divided in the ratio of the number of cars each salesman has sold. Jim sold 7 cars, Jon sold 8 cars and Joseph sold 9 cars. Joseph received £1,125 Calculate how much money Jim and Jon received.
Your workings:	

Q12	Barber Streisand is a hair dressing salon located in Sunderland. The owner Barbara, recently introduced a new system of rewarding her staff. At the end of the week, Barbara puts the following in a bag: 5 x £10 notes 4 x £20 notes 3 x £50 notes
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	<p>At the end of the week, the hairdresser who has provided the best service can select a note from the bag as a reward.</p> <p>Calculate the probability of not selecting a £10 note.</p>
<p>Your workings:</p>	

Q13	<p>Frame, Set and Match is a picture framing business with several shops across the North East of England. The business has a total of 90 employees, of which 54 are female.</p> <p>Calculate, in the lowest possible terms, what fraction of the total employees are male.</p>
<p>Your workings:</p>	

Q14	<p>Wooden it be Lovely is a small manufacturer of wooden children's toys. Last week, the business produced 32,000 toys, of which 40% were checked for quality. Of the 40% checked, $\frac{1}{5}$ had a defect.</p> <p>Calculate how many wooden toys were found to not have a defect.</p>
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Your workings:

Q15

Sparked Out is a retailer of electrical products located in County Durham. The owner, Joseph Sparks, is analysing the sales figures of two product lines, the Lavazza coffee machine and the Breville toaster.

In 2016, the total value of Lavazza coffee machine sales was £12,100 whilst the total value of Breville toaster sales was £5,292. Joseph noticed that the sales of Lavazza coffee machines have been increasing by 10% per year, whilst the sales of Breville toasters have been increasing by 5% per year, over the last two years.

Calculate the total sales value of Lavazza coffee machine sales and Breville toasters in 2014.

Your workings:

For part a). The FTSE 100 shows the combined value of the UK 100 largest companies and in 2020 there was a fall of 14.3%.

<https://www.theguardian.com/business/2020/dec/31/ftse-100-suffers-worst-year-since-2008-financial-crisis>

For part b). In 2021 the FTSE 100 rose by 14.3%. Read this article to find out why:

<https://www.theguardian.com/business/2021/dec/31/ftse-100-bounces-back-despite-covid-to-finish-143-up-in-2021>

There is no requirement to pay to view the guardian articles. They are free to view.

For part c). Read these 3 articles. <https://www.imperial.ac.uk/stories/global-supply-chain-crisis/>

<https://www.nerdwallet.com/uk/business/biggest-business-challenges/#inflationary-pressures-start-to-squeeze>

<https://uk.expensereduction.com/news/five-of-the-biggest-challenges-facing-uk-businesses-in-2022/>

For part d). <https://www.edie.net/uk-economy-to-shrink-by-7-based-on-current-climate-policies/>

<https://www.cnbc.com/2021/08/31/britains-economy-is-already-seeing-rapid-change-due-to-climate-change.html>

<https://www.pwc.co.uk/services/economics/insights/uk-economic-outlook.html>

<https://inews.co.uk/news/politics/industries-next-strike-union-boss-teachers-nhs-1694642>

Useful resources:

<https://www.hl.co.uk/shares>

<https://www.telegraph.co.uk/markets-hub/>

<https://www.ft.com/companies/uk>

<https://www.bbc.co.uk/news/business>

Question 4e) (Optional)

Additional to the report above, explain which British Businesses you believe will be able to adapt best to the future challenges you have identified. Use specific examples and explain why they are well positioned. Maximum 250 words.

Reading list

Books

Duncan Bannatyne: Anyone can do it: My Story

Caspian Woods: From Acorns; How to build a brilliant business

Brad Stone: The everything store: Jeff Bezos and The Age of Amazon

Revision Guides

CGP AS and A-Level Business: AQA Complete Revision & Practice (with Online Edition)

Websites

<https://www.tutor2u.net/>

<https://www.theguardian.com/uk/business>

<https://www.bbc.co.uk/news/business>

<https://www.telegraph.co.uk/money/>

<https://www.economist.com/>

TV programmes

Dragons Den: <https://www.bbc.co.uk/programmes/b006vq92>

Radio Programmes

BBC Business Daily: <https://www.bbc.co.uk/programmes/p002vsxs/episodes/downloads>

BBC World Business Report: <https://www.bbc.co.uk/programmes/p00fvhj7>

BBC In Business: <https://www.bbc.co.uk/programmes/b006s609>

BBC More or Less: <https://www.bbc.co.uk/programmes/b006qshd>

BBC The Bottom Line: <https://www.bbc.co.uk/programmes/b006sz6t>