DIXONS SIXTH FORM BRADFORD

SUMMER WORK

A LEVEL BUSINESS

2026

STUDENT NAME:

Contents

About The Summer Work

We are delighted to welcome you to the **A-Level Business Edexcel** course at D6A. You are about to begin an exciting and challenging journey that will develop your understanding of the **UK and International business world** and prepare you for your **future success.**

Our Expectations

At D6A, and especially within the Business team, we pride ourselves on a culture of **curiosity, academic excellence** and r**elentless high standards**. This means we expect **ALL** the summer work to be completed to an **outstanding standard**. Your completed work should be **well-presented, demonstrates the independent research and learning YOU have completed** as well as your **commitment to independent study** and your **ability to take ownership of your learning**. This is the first impression you will give to your A level business teacher...so, make it count!

Using Artificial Intelligence Responsibly

AI can be a powerful tool to support your research into different businesses, business models and key theories, as well as helping you explore real-world examples and deepen your understanding of complex concepts. We encourage students to use AI in this way; however, **you must use it responsibly by thinking critically** about the information you find, carefully checking the accuracy and reliability of your sources, and ensuring your final work reflects your own understanding.

However, we do not allow the use of AI in **answering any questions** set as part of the summer work activities or in any written work you will complete at college. This is because it does not give **YOU** the opportunity to develop your own thinking, application and evaluation skills — skills which are essential for you to be successful when studying the A level business course and will be assessed in your final A Level examinations in May 2028. **It is vital that your work reflects your own understanding so that you are fully prepared to succeed independently under exam conditions.**

What You Need to Do

We have developed a series of tasks designed to be completed during the summer holidays introducing you to key business concepts and skills. Please ensure you:

- Read all instructions carefully
- Complete each task fully over the course of the summer holidays (spacing your learning will help you in the long term)
- Present your work clearly and professionally

Important Deadline

All summer work activities must be **fully completed and submitted on the first day of college**. This work will be collected and reviewed by your Business teacher, and it forms an important part of your transition into A Level study.

We are excited to see the effort, curiosity, ambition and enthusiasm you bring to your summer work. This marks your first step into the world of A Level Business, where you will begin to think, analyse and make decisions like a business professional, while developing the independence, critical thinking and high standards expected at this level. **See you in September!**

Task Checklist

No.	Task	Date To Be Completed By...	Task completed?
1	Introduction To Business	20/7/2026	
2	Marketing	20/7/2026	
3	Resource Management (Production)	27/07/2026	
4	Human Resources	27/07/2026	
5	Finance	03/08/2026	
6	External Factors Influencing a Business	10/08/2026	
7	Business Calculations	17/08/2026	
8	Economic Basic Principles	24/08/2026	
9	Top UK Start Ups	24/08/2026	

Subject Outline

“Business keeps you up to date with what’s going on in the world and allows you to be a step ahead at all times” Business Student

Business is a dynamic subject. You will learn about the diverse nature of business enterprise and the interdependence of the various parts of the business world. You will explore business success and business failure, investigate local, national and global business markets, and understand how businesses need to adapt and respond strategically to the changing environment in which they operate to survive and grow. This constant evolutionary process makes business a fascinating subject.

There are four themes covered across the two-year programme. In year 1 we study Theme 1 and Theme 2 covering business contexts and business functions.

Theme 1 - Marketing and people	Theme 2 – Managing Business Activities
• Entrepreneurs and leaders • Meeting customer needs • The market • Marketing mix and strategy • Managing people	• Raising Finance • Financial Planning • Managing Finance • Resource Management • External Influences

In year 2 we will study Themes 3 and 4 focusing on business strategy and global business.

Theme 3 - Business objectives and strategy	**Theme 4 - Globalisation**
• Business growth • Decision making techniques • Influences on business decisions • Assessing competitiveness • Managing change	• Global markets and business expansion • Global marketing • Global industries and companies

During the two-year programme you will apply knowledge and understanding to real business contexts and develop skills in analysis, interpretation and evaluation.

Assessment

All 3 units have examinations that are taken at the end of Year 2:

Paper 1 - Themes 1 and 4, 2 hours, 100 marks, 35%

Paper 2 – Themes 2 and 3, 2 hours, 100 marks, 35%

Paper 3 – Investigating Business In A Competitive Environment, 2 hours, 100 marks, 30%

Equipment

In preparation for learning, in addition to the basic equipment list, students should bring the following items to every lesson:

- Calculator
- Business folder and current work booklets/ calculations / studentship work
- Black pens, highlighter and a purple pen

Careers and Higher Education

Through studying business, you will develop transferable skills that will prepare you for studying at university or moving into the world of work. You will become skilled in making decisions, solving problems, applying numerical skills (including understanding finance and working with data) and understanding the global business environment. You will also develop your commercial awareness.

Suitable higher education courses include degrees in :

- Business Management
- Accounting and Finance
- Marketing
- Logistics and Supply Chain Management
- International Business

There are also apprenticeships opportunities in business related areas.

There are a wide variety of jobs in business across a variety of sectors such as banking and finance, retail, construction and manufacturing. Here is a list of the most popular roles, what they entail and typical graduate starting salary.

Job Role	What They Do	Typical Employers	Typical UK Graduate Salary
Management Accountant / Finance Analyst	Supports business decision-making through budgeting, forecasting and financial analysis.	PwC, Deloitte, EY, KPMG, banks, Tesco, Unilever, public sector	£28,000–£35,000
Marketing Executive / Marketing Manager	Plans and delivers marketing campaigns, analyses consumer behaviour and manages branding.	Marketing agencies, Coca-Cola, P&G, retail and digital firms	£25,000–£32,000
Supply Chain Analyst / Supply Chain Manager	Manages flow of goods and services, improving efficiency, cost control and reliability.	Amazon, DHL, manufacturing firms, supermarkets, logistics companies	£27,000–£34,000
Procurement Officer / Buyer	Sources suppliers, negotiates contracts, and ensures value for money.	Local authorities, NHS, construction firms, manufacturing and retail	£26,000–£33,000
Business Analyst / Operations Manager	Uses data to improve processes and organisational performance.	Consulting firms, banks, tech firms, multinationals	£30,000–£38,000
Entrepreneur / Business Owner	Starts and runs a business, taking financial risks to generate profit.	Self-employed, start-ups, SMEs	£0–£50,000+ (highly variable)

Find out more about careers in business by visiting the link below / scanning the QR code

https://nationalcareers.service.gov.uk/explore-careers/job-sector/business-and-administration/view-all-sector-careers

Careers Task

You should spend approximately 30 minutes on this task. Use all available resources to research two possible careers related to Business that you might be interested in. For each career, provide detail on what the job involves, the qualifications that you need, and possible Universities (outside of Yorkshire) that you could attend in order to qualify.

Career one:	
Career two:	

Success at A Level Business

In order to succeed at A-Level Business it is essential that you possess / develop the following skills;

- Numerical skills – basic calculations as well as more complex calculations (% changes, re-arranging formula)
- Data interpretation skills – you can analyse patterns and trends in data to extract key information
- Essay writing skills – you can analyse the impact on a business, you can critically evaluate your points, you write neatly with well-formed sentences, correct spelling as well as the correct use of business terminology
- Reading skills – you can read with purpose and intent to extract key information from business case studies

In addition, an A* business student will;

- Be curious about business
- Be able to quickly act on feedback
- Be a good communicator
- Be able to consistently meet deadlines
- Be well organised
- Work as part of a team
- Have resilience and determination to succeed

These are equally the skills and attitudes that any business/ employer will expect of you in the future.

Self Reflection Task - Why study A-Level Business

In order to succeed on the course, and enjoy your time learning Business Studies, you should be interested in different business, the global economy and how new products are services are brought to market. Take a moment to reflect on why you want to study A-Level Business and make some notes below:

Summer Work Tasks

1. Introduction To Business

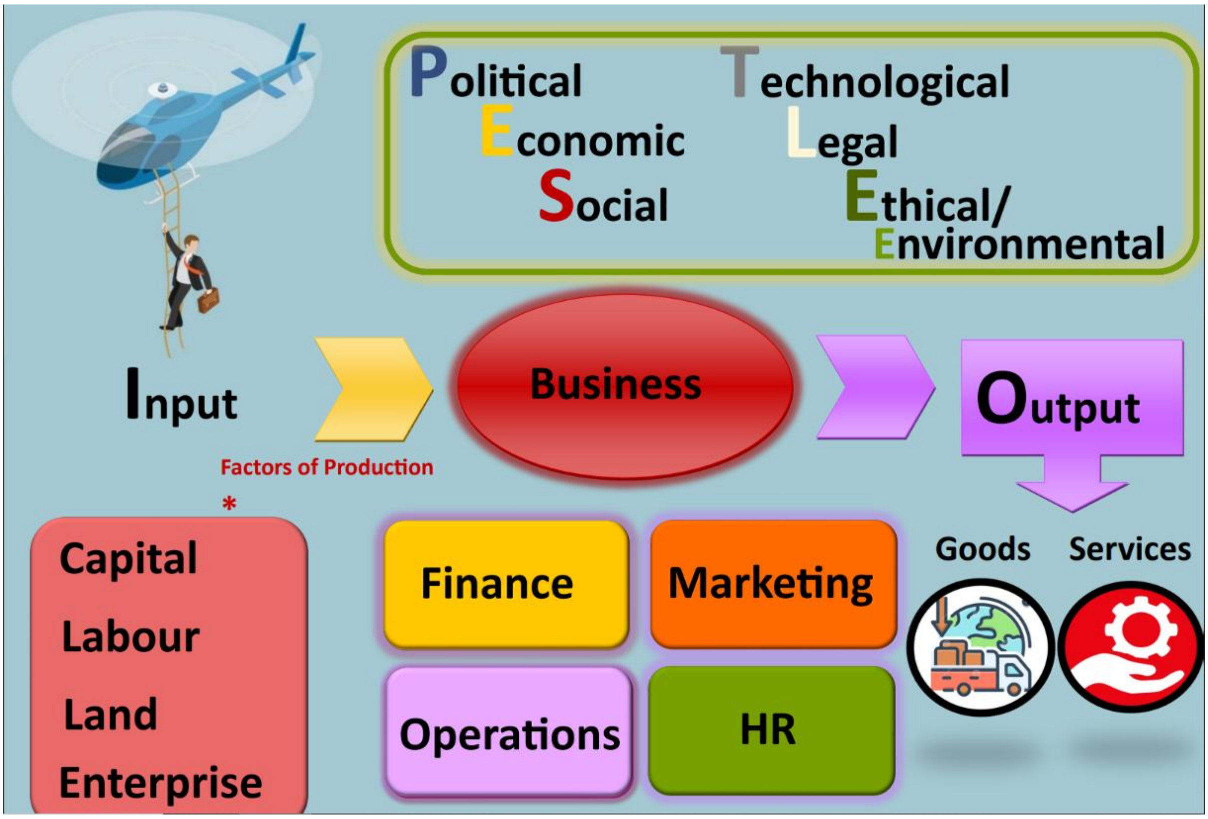
Task 1 - Watch this video and answer to the following questions 'What is Business?'

https://www.youtube.com/watch?v=64C6EX-p4eU

1. What are the four factors of production?
2. What does the term "capital" refer to in a business?
3. Who takes risks and organises resources in a business?
4. What are internal factors in a business?
5. What is meant by an external factor?
6. Give one example of an external economic factor.
7. What does consumer protection aim to ensure?
8. What is the difference between a good and a service?

9. Give examples of goods and services.

10. Why might a business choose to recycle more?



The Four Functional Areas (Internal factors) of Business

In any successful business, different departments work together to help the organisation meet its goals. These departments are often grouped into **functional areas**, each with its own responsibilities, objectives and decision-making processes.

Below is an overview of the **four key functional areas** you'll study in A Level Business: **Marketing, Operations, Human Resources (HR), and Finance**.

2. Marketing

The Marketing department is responsible for understanding customer needs and ensuring the business can attract and retain customers. Its role includes **researching the market**, **developing the product/service, establishing a brand**, **setting pricing strategies**, **promoting products**, and **choosing where and how to sell them**.

Key responsibilities:

- Conducting market research to identify customer preferences and trends.
- Segmenting the market and targeting specific groups.
- Creating marketing campaigns and promotions.
- Deciding on pricing strategies (e.g. price skimming or penetration pricing).
- Managing the marketing mix (product, price, place, promotion).

Did you know....

★ Coca-Cola is one of the most recognisable brands in the world, with around 94% of the global population recognising it

★ Around 73% of all advertising spending is digital

★ Brands often need 5–7 exposures before people remember them

★ 75% of people recognise brands by their logo alone

★ Nearly $1 trillion is spent globally each year trying to get your attention

★ Yet your brain decides in under 8 seconds whether to ignore it!

Task 2a: Using the internet find the definition for the following key terms (check these are the Edexcel definitions)

Market Research	
Customer Needs	

Market Segmentation	
Target Market	
Marketing Campaign	
Promotion **Pricing Strategy**	
Marketing Mix	
Branding	
Customer Retention	

Task 2b - Self Check Knowledge – Read the statements and circle true/ false

True / False – The marketing department is only responsible for advertising products to customers.

True / False – Market research helps businesses understand customer preferences and industry trends.

True / False – Customer needs refer to what businesses want to sell, not what customers actually want.

True / False – Market segmentation involves dividing the market into smaller groups based on shared characteristics.

True / False – A target market is a random group of people who might see a product.

True / False – A marketing campaign includes coordinated promotional activities across different platforms.

True / False – Promotion is only about offering discounts and sales.

True / False – Price skimming means starting with a low price to attract customers quickly.

True / False – The marketing mix includes product, price, place, and promotion.

True / False – Branding is about creating a unique identity for a product in the customer's mind.

Task 2c - What do you think is the most recognisable brand in the world and why? (aim to write 4-5 sentences clearly explaining your choice of brands and how it impacts on customers)

Task 2d – Conduct your own market research

Choose a local business in Bradford for example:

- MyLahore
- Shake House
- Bombay Stores
- Signature Mall

Take time to visit this business and find out about their marketing activities including:

- What products / services are offered?
- What is the most / least popular service/ product? Why?
- Where is the business situated? What's the environment like?
- Who is the target market? Why?
- What % of customers are loyal? (repeat business)
- Who are their key competitors?
- How the pricing compares to competitors. Why?
- What the current marketing / promotion activities are (online / in person etc)
- What's the brand logo / slogan? Why?
- How recognisable is the brand logo / slogan (test it on your friends and family)
- If it was your business what would you change and why?

You will be expected to share your findings and insights with your class by delivering a short presentation to your teacher and business class. Please use Microsoft PowerPoint to make your presentation, lasting no more than 5 minutes and save your work ready to share with your teacher once you start college.

3. Resource Management (Operations/ Production)

The production department is responsible for **producing goods and services efficiently**. This includes managing the production process, ensuring quality standards are met, using resources effectively, and controlling costs.

Key responsibilities:

- Managing resources like machinery, materials and labour.
- Choosing production methods (e.g. job or batch prodouction)
- Ensuring products meet quality standards (e.g. quality assurance and control).
- Managing supply chains and stock levels (e.g. minimum and maximum stock levels)
- Improving productivity and efficiency (e.g. lean production).

Example: **Toyota** is famous for its just-in-time (JIT) production system, which reduces waste and improves efficiency.

Did you know....

★ The UK made about 717,000 cars in 2025. That's roughly:
  - ≈ 2,000 cars per day
  - ≈ 80 cars per hour

★ The food and drink industry is the UK's largest manufacturing sector

★ It employs nearly 500,000 people in manufacturing alone

★ Over 3 in 10 UK consumers eat ready meals every week

★ Around ¾ of adults bought a chilled ready meal within 3 months

★ UK manufacturing is worth £220bn+ to the UK economy

Task 3a: Using the internet find the definition for the following key terms

Operations Department	
Production Process	
Inputs used in production **1.Capital** **2. Land** **3 Labour**	
Quality Assurance	
Quality Control	
Supply Chain	
Inventory	
Supply Chain	
Stock Management	
Just-in-Time (JIT)	
Lean Production	
Productivity	

Task 3b - Complete the gaps below with these words in italics

Operations Department, Production Process, Resources, Production Methods, Quality Assurance, Quality Control, Supply Chain, Stock Management, Productivity, Lean Production, Just-in-Time (JIT)

The ________________ is responsible for producing goods and services efficiently. This includes managing the ______________, ensuring quality standards are met, using ___________ effectively, and controlling costs. Key responsibilities include managing ___________ like machinery, materials, and labour, choosing ______________ methods, ensuring products meet quality standards through _______________ and ______________, managing the _______________ and stock levels, and improving ______________ and efficiency through _______________. An example of this is Toyota's famous _______________ production system, which reduces waste and improves efficiency.

Task 3c - Access the BBC Bitesize website and read up on business operations

https://www.bbc.co.uk/bitesize/guides/zhs4gwx/revision/1

	GCSE business is a great source of information for students who may not have studied business before. So take time to explore all topics covered by GCSE business on BBC Bitesize.

Task 3d - In your own words, answer the following questions using the knowledge from task 3c

1. Why do you think Seabrooks Crisps use batch production?

2. Why do you think Cadburys uses flow production?

3. Why do companies such as Toyota have suggestion boxes for employees?

4. Why do companies such Tesla invest heavily in technology when making electric cars?

4. Managing People / Human Resources (HR)

The HR department manages the **people side of the business**. It ensures the business has the right number of staff with the right skills and supports employee performance, motivation, and development.

Key responsibilities:

- Recruiting and selecting staff
- Organising training and development (e.g. on-the-job training)
- Managing employee performance and appraisals
- Developing organisational culture and leadership styles

- Ensuring legal compliance with employment laws

Example: **Google** is known for investing heavily in employee well-being, flexible working and skill development to retain top talent.

Did you know....

★ Around 33 million people are employed in the UK

★ UK employment rate is roughly 75% of working-age population

★ The National Living Wage (2026) is £11+ per hour

★ Average UK salary is around £35,000–£36,000 per year

★ Average UK worker takes about 5–7 sick days per year

★ UK businesses invest £ billions annually on training staff

★ About 40% of UK workers now work from home at least some of the time, with hybrid working becoming the "new normal"

★ Businesses are investing heavily in AI training because new technology is only effective if employees have the skills to use it

Task 4a: Using the internet, find the definition for the following key terms

HR Department	
Recruitment and Selection	
Training and Development	
On-the-Job Training	
Employee Performance	
Appraisals	
Organisational Culture	
Leadership Styles (AQA)	
Employment engagement	
Motivation	
Labour productivity	

Task 4b: Choose the correct answer

1. What is the main responsibility of the HR department?

    a.Managing the company’s finances
    b.Managing the people side of the business
    c.Managing marketing campaigns
    d.Managing the company’s IT infrastructure

2. What does recruitment and selection involve?

    a.Attracting and choosing the best candidates for job vacancies
    b.Training employees
    c.Managing employee performance
    d.Ensuring legal compliance

3. What is on-the-job training?

    a.Training that takes place in a classroom
    b.Training that occurs while the employee is performing their job
    c.Training that is done online
    d.Training that is done during weekends

4. What is employee performance?

    a.How well an employee carries out their duties and responsibilities
    b.How well an employee socializes with colleagues
    c.How well an employee manages their personal finances
    d.How well an employee uses technology

5. What is an appraisal?

    a.A formal assessment of an employee's performance
    b.A casual conversation with an employee
    c.A team-building exercise
    d.A financial audit

6. What is organisational culture?

    a.The shared values, beliefs, and norms that influence how people behave in an organisation
    b.The physical layout of the office
    c. The company's financial performance
    d.The company's marketing strategy

7. What are leadership styles?

a. The approach a manager takes in guiding and motivating employees
b. The company's dress code
c. The company's IT policies
d.The company's financial goals

8. What is employee engagement?

a. The emotional commitment an employee has to their organisation and its goals
b. The number of hours an employee works
c.The employee's salary
d. The employee's job title

9. What is motivation?

a.The internal and external factors that stimulate people to take actions that lead to achieving a goal
b.The company's marketing strategy
c. The company's financial performance
d. The company's IT policies

10. What is labour productivity?

a.A measure of output per worker or per hour worked
b.The number of hours an employee works
c.The employee's salary
d. The employee's job title

Task 4c: Watch the video and answer the questions below

https://www.youtube.com/watch?v=JGosaTGJQt8

	There are plenty of great business videos on YouTube that can support students as well as the course materials. Make sure you start subscribing to business channels so the videos are pused to you!

1. Why would the manager a retail shop in Broadway in Bradford such as H & M need to be a great manager?

2. What would be the impact on employees in a bank such as HSBC of a manager was ineffective?

Task 4d: Watch the video and answer the question below on Organisational Culture

https://www.youtube.com/watch?v=JGosaTGJQt8

	Tutor 2U has some great business resources to support our studies. Subscribe to their channel for Edexcel A level business. Other business Youtubers are Bizconsesh and takingthebiz

1. Draw Handy's 4 models of culture below (pictures can really help us remember key models / theories/ knowledge)

2. Why is organisational culture important for any business? Choose one point mentioned in the video and try to analyse it (what's the impact of culture on Marketing and Production). Write an extended answer (approx ¾ page)

5. Finance

The Finance department ensures that the business is **financially healthy**. It records, analyses, and reports financial information and supports decision-making by providing budgets, forecasts and performance measures.

Key responsibilities:

- Producing financial reports (e.g. profit and loss, cash flow).
- Managing budgets and setting financial objectives.
- Monitoring costs and profitability.
- Making investment and funding decisions.
- Ensuring financial control and compliance.

Example: A company like **Tesco** closely monitors sales revenue and retained profit to support its expansion and dividend policies.

Did you know....

★ There are around 5.7 million private sector businesses in the UK (2025)

★ 99.9% are SMEs (small to medium sized enterprises)

~5.6 million are small businesses (0–49 employees) [gov.uk]

Only ~8,000 are large businesses

★ UK businesses generate about £5.5 trillion in total turnover per year

★ Shell plc is the largest UK company with revenue: about $300+ billion (£230bn+)

★ £300k average small business turnover

Task 5a: Using the internet, find the definition for the following key terms

Financial Reports	
Profit and Loss Statement	
Cash Flow Statement	
Balance Sheet	
Assets	
Liabilities	
Equity	
Budgets	
Financial Objectives	
Cost of sales / costs of goods sold	
Fixed Costs	
Variable costs	
Investment Decisions	
Break-even	
Retained Profit	

Task 5b: Read each sentence carefully and decide whether it is True or False based on your knowledge of financial terminology.

1. The Finance Department is responsible for managing a company's marketing campaigns T/F
2. A Profit and Loss Statement shows a company's revenues and expenses over a specific period T/F
3. The Cash Flow Statement only includes profits made by the business T/F
4. Budgets help businesses plan and control their financial resources T/F
5. Financial Objectives are unrelated to a company's overall strategy T/F
6. The balance sheets show what a company owns and owes T/F
7. Fixed Costs change depending on the level of production or sales T/F
8. Variable Costs increase as production increases T/F
9. Investment Decisions involve choosing how to allocate funds to generate future returns T/F
10. A company reaches Break-even when its total revenue equals its total costs T/F
11. Retained Profit is the portion of net income distributed to shareholders as dividends T/F

Task 5c: Complete the following questions to practice % changes (show all your calculations and format to 2 decimal places)

1. Calculate the percentage increase in Sales Price when a product's selling price rises f rom £40 to £50.

2. A firm reduces its production cost from £120 to £90 per unit. Calculate the percentage decrease.

3. A business's revenue increases from £200,000 to £260,000. What is the percentage increase in revenue?

4. A firm's profit rises from £25,000 to £40,000 after cutting costs. Calculate the percentage increase in profit.

5. A fashion retailer's revenue decreases from £150,000 to £120,000 due to lower demand. Calculate the percentage decrease. Briefly state one possible reason for this change.

Task 5d: Look at the profit and loss account for Gymshark Ltd (https://www.youtube.com/watch?v=yLaGqrTHVJg) which shows 2025 and 2024 financial performance and calculate the missing data in 2024 / 2025

Profit and Loss / Income Statement	**2024**	**2025**
Revenue	£458,624,000	£490,142,000
Cost of Sales	(£205,401,000)	(£216,490,000)
Gross Profit (= revenue – cost of sales)	**£253,223,000**	
Distribution costs	**(£73,150,000)**	**(£76,933,000)**
Admin costs	**(£187,070,000)**	**(£214,110,000)**
Operating Profit / loss (= gross profit – distribution costs – admin costs)	**(£7,997,000)**	

Note – Numbers in brackets represent costs

Operating profit – numbers in brackets represent a minus number so a loss

1. Calculate the gross profit in 2025
2. Calculate the operating profit/loss in 2025
3. Calculate the % rise in sales from 2024 to 2025
4. Calculate the % rise in admin costs from 2024 to 2025

Task 5e: Look at the balance sheet of GymShark for 2025

Balance Sheet	**2025**
Fixed Assets	£59,594,000
Current Assets	£138,376,000
Current Liabilities	(£119,929,000)

Non Current Liabilities	(£6,267,000)
Net Assets	£71,774,000
Total Equity	**£71,774,000**

Note – Numbers in brackets represent money that Gymshark owes to other businesses

1. What do you notice about the balance sheet?
2. Why do you think it is called a balance sheet?
3. How much does Gymshark own in assets?
4. How much does Gymshark owe in liabilities?
5. How is Gymshark financed?

These four functions do not work in isolation — they are **interdependent**. For example, if the **Marketing** team launches a new product, the **Operations** team must be ready to produce it, **HR** may need to recruit staff to support it, and **Finance** must ensure the funds are available to make and sell it.

Understanding how each department works — and how they work together — is key to analysing and evaluating business performance at A Level.

6.External Factors – PESTLE

Watch the video how the external environment affects Business. This will be helpful for your final mini research task.

https://www.youtube.com/watch?v=-8y1aX0yNbw

Task 6a - Definition: PESTLE stands for:

P: ____

E: ____

S: ____

T: ____

L: ____

E: ____

Task 6b – UK Business Research Task

Choose a UK business that operates across the UK. For example, Greggs, Sainsburys, Tesco, New Look, Shell, Astra Zeneca, Unilever or Rio Tinto. Find out the key information about your chosen business and complete the follow information:

- Business Name
- Chief Executive Name
- Date Established
- Products/services sold
- Annual Revenue

Explain how could each of the following external factors could affect your chosen business.

- Political:
  ____
  ____
  ____
- Economic:
  ____
  ____
  ____
- Social:

____
____
____

- Technological:

____
____
____

- Legal:

____
____
____

- Environmental/Ethical:

____
____
____

Task 6c – Writing Task - Explain in detail how the business you have chosen has been impacted by the current wars in the Middle East. Write about the impact on each function below.

Impact on Marketing: Impact on Production:

Impact on HR:

Impact on Revenue:

Impact on Costs:

7. Business Calculations

Task 7a – We will need to calculate, manipulate and interpret data for the Business A level - Find the definition for the terms in the table below and all formulas relating to them

	Definition	Formula
Revenue	Revenue is the total amount of money a business earns from its normal business activities, usually from the sale of goods and services, before any expenses are deducted.	Price per unit X number of units sold
Costs		
Profit		

Cash Flow		
Market growth		
Labour productivity		
Percentage change		
Market Capitalisation		

Now complete the following calculations using the formulas above

7a1 - Revenue

1. A company sells 1,200 units of a product at £18 each. What is the total revenue?

2. A retailer sells 300 units of a product at £25 each. However, for orders over 200 units, a 10% discount is applied to the entire order. What is the total revenue?

3. A shop sells two types of items:
   150 units of Product A at £12 each
   100 units of Product B at £20 each
   What is the total revenue from both products?

7a2 - Costs

1. A bakery has fixed monthly costs of £1,500 (rent, utilities) and variable costs of £2 per loaf of bread. If they bake 2,000 loaves in a month, what is the total cost?

2. Supplier A offers 1,000 units at £4.20 each with free shipping.
   Supplier B offers the same units at £3.90 each but charges £350 for shipping.
   Which supplier offers the lower total cost?

7a3 - Profit

1. A shop sells a toy for £15. It costs £9 to produce. What is the profit per toy?

2. A bakery sells 500 cupcakes at £2 each. Each cupcake costs £0.80 to make. The bakery also has £300 in fixed monthly costs. How much profit do they make?

7a4 - Cash flow

1. Calculate the **net cash flow** for the month.
   - Cash sales: £8,000
   - Credit sales: £5,000
   - Wages: £2,000
   - Rent: £1,500
   - Purchase of stock (paid in cash): £2,500

2. Calculate the **Total Cash Outflows** for January.

   A business has the following figures for January:
   - Total Cash Inflows: £10,000
   - Total Cash Outflows: ?
   - Net Cash Flow: £2,000

7a5 - Market Growth

1. In 2023, the market size for electric bikes was **£120 million**. In 2024, it grew to **£150 million**.

   Calculate the **market growth rate (%)** from 2023 to 2024.

7a6 - Labour Productivity

1. A manufacturing company produces **10,000 units** in a week using **50 workers**.
   What is the **labour productivity** per worker?

2. In January, a factory produced 24,000 units using 60 workers.
   In February, it produced 30,000 units with 75 workers.
   In which month was labour productivity higher, and by how much?

3. A firm currently has a labour productivity of **200 units per worker**.
   They aim to increase output by **20%** without hiring more staff.
   How many units must they produce in total if they currently employ **40 workers**?

7a7 - Market Capitalisation

1. A company has **10 million shares** in issue, each trading at **£2.50**.
   What is the **market capitalisation** of the company?

2. A company has **5 million shares**.
   If the share price rises from **£3.00** to **£3.60**,
   by how much does the **market capitalisation increase**?

8. Basic Economic Principles

Task 8a - Here is a short list of basic economic principles that will support you in your business studies. Please read the below, watch the videos and answer the questions to develop your understanding.

A. Supply and Demand

- **Supply** is how much of a product or service businesses are willing to sell at different prices.
- **Demand** is how much of a product or service consumers want to buy at different prices.
- When demand for a product increases (e.g., a popular new phone), businesses might raise prices. If demand falls (e.g., a fashion trend fades), businesses may lower prices to sell stock.

Supply & Demand	Video Notes:

B. Competition

- Businesses compete with each other to sell goods and services. When there's a lot of competition, businesses may lower prices, improve quality, or innovate to attract customers.

- Competition can also lead to businesses differentiating themselves (e.g., offering unique products or excellent customer service) to stand out in the market.

Competition	**Video Notes:**

C. Inflation

- **Inflation** is the general rise in prices over time. If inflation is high, businesses might find their costs rising (e.g., for raw materials), which may lead them to raise prices.
- Inflation affects how much consumers can buy. When prices rise, they may buy less, which can reduce demand for businesses.

Inflation	Video Notes:

D. Interest Rates

- **Interest rates** are the cost of borrowing money. When interest rates are high, it's more expensive for businesses to borrow money to invest in growth (like buying new equipment or opening new stores).

- Low interest rates make borrowing cheaper, so businesses are more likely to invest and expand. However, low rates can also lead to inflation.

What are interest rates?	Video Notes:
Impact of Interest Rate Changes	

E. Economic Growth & GDP

- **Economic Growth** refers to an increase in the value of goods and services produced in an economy over time. When the economy is growing, businesses tend to do better as more people have money to spend.
- Businesses may take advantage of growth by expanding operations, hiring more employees, and increasing production.
- Economic growth is often measured by GDP (gross domestic product). If the GDP figure is higher than it was in the previous month – the economy is growing. Equally, if the GDP figure is lower than the previous month the economy is getting smaller.
- If economic growth falls for two consecutive quarters (i.e. two lots of 3 months, 6 months in total) the economy is said to be in recession

GDP	**Video Notes**

Task 8b – Complete the mini quiz below – Are the statements true or false?

Write 'True' or 'False' next to each statement.

1. Higher interest rates make it easier for businesses to borrow money.
2. GDP stands for Gross Domestic Price
3. If supply exceeds demand, prices tend to fall.
4. When demand decreases, businesses often raise prices to maintain profit.
5. A rise in inflation can reduce the purchasing power of consumers.
6. Recession is a term used to describe when the economy is growing
7. If a business borrowed £10,000 from the bank at a 9% annual interest rate, the business would owe the bank £10 in interest at the end of the year
8. The UK Bank Rate (interest rate) is set by the Government

9. Top UK Start Ups 2026

Entrepreneurs play a key part in the UK's business landscape and make up a large portion of the UK gross domestic product. The UK is renowned for its innovation, and a significant number of startups face challenges in the early years of operating their businesses. Studies show that a substantial percentage of new businesses fail within their first three years, with estimates suggesting around 60%. While not all businesses fail, the data indicates that sustained success is not guaranteed for most startups.

https://startups.co.uk/startups-100/2026/main-page/

Read the article about the Top UK Start Ups in 2026 and answer the questions below.

1 – How are the founders of HIVED? What product/service does it offer?

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2 - Why was HIVED set up?

3 – What product/ service is Better Dairy offering? Why?

4 - How could Burbank's technology help fast food takeaways?

Question 5 – Which start up do you think is going to be the most successful in the next 5 years? Why? (think about potential customers, how the product or service is different, how the product or service makes your life easier)

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You have proven that you have what it takes to make an A* Business Student