



**DIXONS
SIXTH FORM
ACADEMY**

**SUMMER
WORK
2022**

A Level
Business

STUDENT NAME:



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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



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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.

Links to key information:

Our course information guide can be found [here](#).

The full specification can be found here [here](#)

A list of careers in Business management can be found [here](#)



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)



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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



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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



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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%



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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.



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Question 3

Here is information regarding Economies of scales and you can find out more by watching this [revision 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		



Vodafone Group PLC

Vodafone is one of the world's largest technology network providers. Since they started in 1985 Vodafone have grown into an international business with mobile operations in 24 countries. As of September 2019 they had 625 million mobile customers, 27 million fixed broadband customers and 22 million TV customers. In recent years they have invested over £900M in their UK mobile phone network of masts and satellites, which provides Vodafone with a massive capacity for calls, meaning that the cost to Vodafone of 1 more mobile call is incredibly low, enabling them to be very competitive on price. Vodafone PLC is one of the UK's largest companies and their financial stability and excellent reputation makes it easy for them to borrow money at competitive interest rates. Much of Vodafone's network is made up of Carbon Fibre cables, which have a very high bandwidth capacity, making it ideal for broadband and TV streaming. In the UK alone Vodafone have installed 38,000 miles of cabling which they have been able to purchase at lower prices, given the large volumes required. Vodafone employs over 11,000 people, of which nearly 2,000 work in their London Headquarters and the majority work in their network of over 400 UK stores. Each store is run by a local manager, who is responsible for maximising sales and profit for their store. The recent introduction of online stock control systems have been very effective in reducing store costs by up to 8% and reducing customer waiting times and improving customer satisfaction rating.

Recently Vodafone have signed a 5 year sponsorship deal with Porsche Formula E team. Formula E is the first single-seater fully electric racing series; with top speeds in excess of 200 Km/h and races in 12 major cities across 4 continents. Vodafone branding will be highly visible on the cars and this will be a cost effective method for Vodafone to increase their brand awareness.

Question 4

The COVID-19 pandemic has had a significant impact on the profits of UK businesses, which has caused the share price of many UK Public Limited Companies to change significantly. Since then there have been a number of other factors to increase costs for UK firms and make international trade more challenging.

Write a report in your own words (**not cut and paste**) into "The past, present and potential future environments **for UK businesses.**" This should be a minimum of 300 words and a maximum of 600 words and use the following headings, there are resources to help you on the next page and you can also conduct your own research.

- a) A review of 2020 (identify the businesses whose share price rose and fell and explain why)
- b) A review of 2020 (identify the businesses whose share price rose and fell and explain why)
- c) The current challenges
- d) The potential future challenges



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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.cnn.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 Guide

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>