

BTEC Y11-Y12 Summer Independent Learning 2021

By completing these activities as part of your Summer Learning, you will gain:

- a realistic expectation of the Business Studies at BTEC Business
- an appreciation of the fact that there will be lots of new content, even if you have studied GCSE Business Studies.
- an ability to contribute in class with real world examples
- an inquisitive mind
- an increased ability to hit the ground running at the start of the academic year.

Completing this task will also help you develop the following skills:

Organisation



Organisation



Problem Solving



Initiative



Communication

Please make sure that you complete all of the tasks fully, and bring your work for review by your teacher to your first Business Studies lesson.

Compulsory: please complete all of these tasks

Types of privately-owned businesses (Private sector)

- **Sole Trader** – the smallest type of business. It is owned by one person although they may employ someone to help them. They are responsible for every area of the business and they keep all the profit they have earned after they have paid tax.
- **Partnership** – if a sole trader wants to grow their business, they may choose to take on a partner. This means the business is owned by 2 or more people and they are all responsible for running the business

ACTIVITY

Complete the table below, pay particular attention to the way you describe the benefits and the drawbacks of each section.

	Features	Benefits	Drawbacks
Sole trader			
Partnership			

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1. Give some business examples of a sole trader

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2. Give some business examples of a Partnership

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One of the UK's biggest partnership within the UK:

'The John Lewis Partnership is the UK's largest employee owned business. We started as an experiment in industrial democracy by our Founder, John Spedan Lewis, who believed there was a better way of doing business.

Because of this we're more than employees, we're owners. That's why we're called Partners'



<https://www.johnlewispartnership.co.uk/about.html>

ACTIVITY

Within a private owned business such as a sole trade and a partnership, they have something called **Unlimited Liability**. This means that if their business loses money, they may have to sell their belongings such as their house, car etc to pay their debts. The law sees the owner of the business and the business itself as the same thing.

1. Discuss the limitations of being a business with Unlimited Liability

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Why be a sole trader or a partnership if there are so many risks?

99.9%

Small businesses accounted for 99.9% of all private sector businesses at start of 2018

£2.2TN

Combined turnover of UK SMEs

52%

Percentage of private-sector turnover accounted for by SMEs





There are several reasons to become a privately-owned business UK despite the risks. Two examples below.



<https://www.arnoldclark.com/about-us/history.html>

1. How have Arnold Clark become so successful over time?

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KURT GEIGER
LONDON



<https://www.kurtgeiger.com/company/our-history>

<https://www.independent.co.uk/news/business/analysis-and-features/kurt-geiger-ndash-a-shining-example-of-a-sole-trader-2191860.html>

1. How have Kurt Geiger become so successful over time?

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Private Limited Company – often shown as **Ltd**. Rather than just having one or two owners who run the business between them, there are more owners (often friends or family) who invest their money and each of these are called shareholders. If the business does well they get a share of the profit in the form of a **dividend**. Often the shareholders are the directors of a business and help run the company.

An Ltd has **limited liability** which means that if the business is in debt, the shareholders will only lose the money they have invested, not their personal belongings.

ACTIVITY

	Features	Benefits	Drawbacks
Private limited Company (Ltd)			



1. Give some business examples of a Private Limited Company (Ltd)

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<https://www.virgin.com/company/virgin-atlantic>

Read the articles on Virgin Airways and discuss the main reasons they have been successful

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Public Limited Company – also known as a **plc** and is the largest type of private business. The shares in the company can be bought on the stock exchange by anyone which is why it's called a **public** limited company. The business can raise more money by selling more shares to the public and increasing the number of shareholders it has. A plc also has **limited liability**, the shareholders can only lose the money they have paid for shares if the business gets into trouble.

ACTIVITY

	Features	Benefits	Drawbacks
Public Limited Company (plc)			



1. Give some business examples of a Public Limited Company (PLC)

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<https://www.burberryplc.com/en/index.html>

Read the articles on Burberry and discuss the main reasons they have been successful PLC

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Business Liability

To protect the business against the risk of being sued or held legally responsible, anyone owning or running a business should insure against such liability. There are multiple insurance companies offering such cover and, as with any insurance (for example, car or house insurance), they offer it at different rates and with different terms and conditions. Insurance for liability includes Public Liability Insurance and Directors' and Officers' Insurance (D & O). Depending on the ownership, size and type of business, the cover will also vary.

- Define and explain what each of the key terms are below, ensure you have included an example

Unlimited Liability	Limited Liability



Publicly owned Businesses (Public sector)

Government Departments & Agencies – these operate on behalf of the government such as Department of Health and Department of Education and are staffed by civil servants. Their jobs are to spend the money they're given from taxpayers via the government wisely to provide services (like health and education) that everyone needs.



Government Agencies are more independent of the government than government departments. The government sets up agencies to be responsible for certain things such as the Child Support Agency and UK Border Agency. Although these also use money given to them by the government, they have more freedom to run the business and make decisions.

ACTIVITY

	Features	Benefits	Drawbacks
Government Departments			
Government Agencies			



<https://www.gov.uk/government/organisations>



HM Government

Using the link above complete the following:

1. Provide one example of a **Government department**, explain this (what is this department for, how is it funded....) **do not use NHS**

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2. Provide one example of a **Government Agencies**, explaining this (what is this department for, how is it funded....)

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Government Department Examples

NHS is an example of a Government department, the money from taxpayers ensures this is funded, providing a free service for all UK citizens.

1. How many employees does the NHS have?
2. When was NHS established and why?
3. What is the reason NHS are struggling to cope financially?



ACTIVITY

Government Agencies examples

Ofsted and The Pension Advisory Service is another example of Government agency.

Case study investigation

Investigate OFSTED. Make sure you include, who they are, what they exist, what they intend to do, who do they work alongside? Their history?

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Case study investigation

Investigate The Pensions Advisory Service. Make sure you include, who they are, what they exist, what they intend to do, who do they work alongside? Their history?

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Franchises

a less risky way for a successful business to grow is to use franchising. The successful company (franchisor) gives a licence to someone (franchisee) to set up their own branch of the company.

The franchisor receives payment for the licence and a percentage of **profits**, the franchisee gets their own branch, the remaining profits and support from the large company.

	Benefits	Drawbacks
Franchisor		
Franchisee		

Investigate how successful one of the franchisors has been below...

Challenge your thought: why?



Not for profit

Did you know that not every company has a primary goal of making as much profit as possible? It's true! They're called non-profits. Sometimes they're called not-for-profit organisations.

You ask why a Business would set up and not want to make any money? Well, not for profit companies don't have a goal of not making money. Non-profits often make money, but what they do with the money which separates them from profit making organisations.

Not for profit organisations are usually set up for a core mission which has a benefit to the wider society, for example a charity or non-charitable housing associations. The earnings which are made within non-profit organisations, are reinvested back into seeking to support the mission and help the organisation grow. These profits will not be used to give back to investors.



Voluntary organisations are also not for profit but exist for good causes, they have staff but they work for free.

Charitable Trusts – a charity is an example of an organisation that is set up to raise funds and support people or good causes. They aim to create a surplus of money (they have more donations than they spend on running the charity) so they can spend this money on the good cause. They can only spend the money that they have raised, therefore they should not get into debt like some private businesses can. The running of a charity is monitored and run by a group of trustees, no one owns a charity. The trustees are people who have a good reputation, relevant skills and experience and volunteer to ensure the charity is running properly. Charities have to be registered (just like other businesses) with the Charities Commission and publish annual accounts (just like Plcs).

Organisational Sectors

There are four main types of sectors Primary, Secondary, Tertiary and Quaternary

	Features	Business examples
Primary		
Secondary		
Tertiary		
Quaternary		



Investigate the stakeholder and their influences using the two business examples provided.



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Aims and objectives

Aims of businesses in different sectors. The same applies to businesses needing to plan out their aims and objectives to strive for success. These are built around three key areas:

- mission (a promise of commitment to the business cause)
- vision (the direction the business aims to travel in the future, short or longer term)
- values (the philosophy and ethos of a business which underpin the vision).

Mission

You may have heard or seen the mission statement of the place where you are studying. Mission statements are often found at the front of any marketing materials and websites. While a mission statement is intended to represent the overall aim of the business, it should be informed by the vision and values of the business.

Vision

A vision statement is easily confused with a mission statement. Its aim is to clearly communicate the future plans for the business, particularly to its employees. They can become involved in the plans for the business and their jobs and organisation structure will need to support this vision.

Values

Organisational values will vary across businesses depending on their overall aim. Businesses such as Sainsbury plc promote their eagerness for growth, while Coca-Cola are keen to promote their commitment to a sustainable environment. British Gas also promote their commitment to the environment.





Research how Starbucks use their mission, aims and objectives



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Business Objectives

An objective is a **quantifiable** (measurable) statement of a business’s goals. Something the business wants to **achieve**.

Explain each one of these and how it applies to a business

Objective	Description and how it applies to a business (support with an example)
Survival	
Profit	
Growth	
Cashflow	
Social and ethical objectives	

ACTIVITY

Not required but strongly recommended

Extension activity

Investigate a business of your choice and tell me the following:

Topic Overview	Must cover
<ul style="list-style-type: none"> Ownership and Liability 	<ul style="list-style-type: none"> private, e.g. sole trader, partnership, private limited company public limited company, cooperative, limited and unlimited liability public, e.g. government department not-for-profit, e.g. charitable trust, voluntary
<ul style="list-style-type: none"> Purposes 	<ul style="list-style-type: none"> supply of products or services, difference between for-profit and not-for-profit businesses.
<ul style="list-style-type: none"> Sectors 	<ul style="list-style-type: none"> Primary Secondary Tertiary Quaternary

Challenge: Can you also understand what each one of these mean and apply it to the business you have chosen?

Topic Overview	Must cover
<ul style="list-style-type: none"> Scope of business activities 	<ul style="list-style-type: none"> local, national, international
<ul style="list-style-type: none"> Size 	<ul style="list-style-type: none"> micro – up to nine staff, Small and Medium Enterprises (SMEs) small – between 10 and 49 staff, medium – between 50 and 249 staff; large: more than 250 staff.
<ul style="list-style-type: none"> Reasons for success 	<ul style="list-style-type: none"> how these differ depending on the type of business (profit or non-profit),

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Investigate the reasons for success for the following two companies using some of the examples provided



