

AS Business Studies 9707

1AS: Business and its environment

Recommended Prior Knowledge

There is no requirement for prior knowledge for this unit. Some students may have covered similar material at IGCSE or O Level (if taken) although this will have been in a more descriptive fashion rather than in a problem solving context.

Context

This unit provides a foundation for the subject. Emphasis is on the importance of enterprise, business objectives, structures and stakeholders. Study of these should give candidates ideas that are fundamental to the understanding of how businesses behave and of their objectives. Critical to understanding is how the nature of a business might enable or constrain its development. Some concepts, such as privatisation, mergers and external constraints/enablers are included in 1AL so would not be covered for the AS exams.

Outline

The unit explores the nature of enterprise. It then introduces the different classifications of business activity. In doing so it encourages the observation and analysis by students of local businesses. Student involvement needs to be encouraged for this and all other units. This might be achieved through a Young Enterprise activity. For information on Young Enterprise see: www.ja.org, www.young-enterprise.org.uk Students should also be encouraged to observe business life around them through newspapers, TV and personal observation.

References to the endorsed textbook, A level Business Studies, 2nd edition by Peter Stimpson and Al Farquharson are in RED. Although activities have been selected from this book, these are only suggestions – there are many other useful activities that can be undertaken including others in the endorsed textbook and associated CD-ROMs and in other recommended textbooks

AO	Learning outcomes	Suggested Teaching activities to suitable web sites, to explain why legal structures might have been chosen and what was involved in the process. It would provide a good opportunity for assessing students' written work. The concept of limited liability is very important and should be developed not only from the owners' perspective but also from other stakeholders' perspectives such as customers, creditors and employees. Time should be spent on exploring the consequences of changing legal structure – the history of Virgin might be useful for this. REINFORCEMENT Useful activities include: <ul style="list-style-type: none">• Dulip's business is a success (page 17)• Harry goes it alone (page 28) Revision topics	Learning resources http://www.bized.co.uk/learn/business/strategy/classification/index.htm provides resources for business classifications. Exam question: Nov 2007 Paper 1 Question 5; Chapter 3 http://www.thetimes100.co.uk provides some case material and activities involving business growth. Try searching using "business growth" at this site.
1AS.3	Size of Business <ul style="list-style-type: none">• Measurements of business size• Significance of small businesses• Internal growth	The important issue to convey is that the various methods of measuring size (turnover, capital, employees, outlets, market share and so on) can be contradictory. A useful way of teaching this is to get students to produce a spreadsheet with various businesses for which information is available (public limited companies may be best) and to complete the table with a range of measurements of size. This could be discussed further. Mergers and takeovers are not considered until A level. Students should investigate the role of small businesses in their country by means of individual research. Research into government incentives for small businesses should bring out ideas of their importance. Useful activities include: <ul style="list-style-type: none">• Tale of two industries (page 41)• Starbucks confirm rapid growth strategy (page 48)	

AO	Learning outcomes	Suggested Teaching activities	Learning resources
REINFORCEMENT		<p>Revision topics + Is STS plc successful? + Siam Cement Group (page 67) Peugeot's road ahead laid out (page 69) Virgin Atlantic and British Airways to refund passengers (page 70)</p>	<p>responsibility. www.traidcraft.co.uk is a UK based organisation that has an ethical influence in several continents.</p> <p>Exam question Nov 2008 Paper 3 Q 7, June 2006 Paper 2 Q 1(c), June 2008 Paper 3 Q 5 (b) Nov 2007 Paper 1 Q 5(a), Nov 2008 Paper 2 Q 2(d)</p>
1AS.5	Stakeholders in Business	<p>The concept of stakeholders can be developed through a business simulation. Students are presented with a controversial proposal, for example, the building of a major new factory in a local area. Students are divided into various stakeholder groups, each with their own identifiable objectives and briefing notes (owners, managers, employees, the community, the state). They are then required to discuss whether it is a good idea or not for the development to go ahead.</p> <p>Useful activities include:</p> <ul style="list-style-type: none">• Tato Nano divides opinion (page 71)• Fury at Bangladesh mine scheme (page 75)• Community-based development projects (page 78)	<p>Chapter 5 http://www.bized.co.uk/educators/level2/busactivity/lesson/knowing1.htm has useful material. As does http://www.bized.co.uk/educators/16-19/business/external/presentation/ethics_map.htm .</p>
REINFORCEMENT		<p>Revision topics + Virgin's green idea loses its pulling power (page 81)</p>	<p>Exam question: June 2006 Paper 3 Q 7 (although this was set at AL)</p>