

A LEVEL

Delivery Guide

H431

BUSINESS

Introduction to Business

November 2014



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CONTENTS

Introduction	Page 4
Curriculum Content: Enterprise	Page 5
Thinking Conceptually: Enterprise	Page 6
Thinking Contextually: Enterprise	Page 7
Curriculum Content: Business Sectors	Page 11
Thinking Conceptually: Business Sectors	Page 12
Thinking Contextually: Business Sectors	Page 13
Curriculum Content: Business Functions	Page 16
Thinking Conceptually: Business Functions	Page 17
Thinking Contextually: Business Functions	Page 18
Curriculum Content: Business Size and Growth	Page 20
Thinking Conceptually: Business Size and Growth	Page 21
Thinking Contextually: Business Size and Growth	Page 22

Introduction

Delivery guides are designed to represent a body of knowledge about teaching a particular topic and contain:

- Content: A clear outline of the content covered by the delivery guide;
- Thinking Conceptually: Expert guidance on the key concepts involved, common difficulties students may have, approaches to teaching that can help students understand these concepts and how this topic links conceptually to other areas of the subject;
- Thinking Contextually: A range of suggested teaching activities using a variety of themes so that different activities can be selected which best suit particular classes, learning styles or teaching approaches.

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KEY



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AS Level content only

Curriculum Content: Enterprise

Introduction to Business: Enterprise

- Explain what is meant by an entrepreneur and by enterprise.
- Explain what is meant by the factors of production: land, labour, capital and enterprise.
- Evaluate the impact and importance of the availability of factors of production for the stakeholders of a business.
- Evaluate the impact on and the importance to the economy of entrepreneurship and enterprise.
- Explain the role of the entrepreneur in making decisions.
- Evaluate the impact and importance of entrepreneurial activity for the stakeholders of a business.



Thinking Conceptually: Enterprise

Approaches to teaching the content.

Business is about decision making and the ability to make successful decisions is what makes a successful entrepreneur. Whilst this A-Level is not about making new entrepreneurs, students must be able to understand, analyse and evaluate the abilities and skills that an entrepreneur brings to business activity. These skills are often referred to as enterprise and form one of the factors of production.

The four factors of production are the essential ingredients required in business. Every business will require a different mixture of the factors and there may be many different ways to combine the factors and be successful.

Common misconceptions or difficulties students may have.

Enterprise has two meanings. Firstly as a generic word meaning business activity. Secondly as the skills displayed by an entrepreneur. In this section of the specification enterprise refers to the skills of an entrepreneur and students must be able to use the context of the question and the case study to differentiate between the two meanings.

Many definitions exist for entrepreneurs and enterprise and students will not be expected to remember any one definition. However an understanding of what an entrepreneur does and how the factors of production affect business behaviour is essential.

Conceptual links to other areas of the specification – useful ways to approach this topic to set students up for topics later in the course.

The ability of an entrepreneur to make decisions about the factors of production is the basis for all of the Business specification and therefore this is an essential starting point for further study of the subject. In studying the functions of business, students will be expected to analyse and evaluate the impact and importance of business decisions on the stakeholders of the business. In other words how the factors of production are organised to achieve business objectives.

Thinking Contextually: Enterprise

ACTIVITIES

Every business decision is a reasonable context for this topic, as every business decision, in some way, affects the factors of production. However, using decisions and businesses where the factors of production are obvious will help students to understand their importance. For example it is easy to see land, labour and capital in action in a factory, but more difficult for a mobile hairdresser.

Studying well known entrepreneurs will be a good route into the topic. These can be whoever is in the media attention at the time perhaps on TV programmes or the subject of news stories.

Activities	Resources
<p>1. Characteristics of entrepreneurs.</p> <p>Some simple quizzes to use as starters to entrepreneurs as a topic.</p> <p>Are you a born entrepreneur? (Forbes) http://www.forbes.com/2005/11/15/entrepreneur-personality-quiz_cx_bn_1116quiz.html</p> <p>Entrepreneur quiz (WEEST) http://www.west.org/business-toolkit/entrepreneur-quiz/</p> <p>Entrepreneurial potential self-assessment (BDC) http://www.bdc.ca/EN/advice_centre/benchmarking_tools/Pages/entrepreneurial_self_assessment.aspx</p>	<p> Click here</p> <p> Click here</p> <p> Click here</p>

Thinking Contextually: Enterprise

Activities	Resources
<p>2. Entrepreneurs.</p> <p>Create a list of entrepreneurs, preferably enough so each student can be given a different entrepreneur.</p> <p>http://en.wikipedia.org/wiki/List_of_entrepreneurs</p> <p>A list of possible entrepreneurs to use.</p> <p>Each student should research the entrepreneur they have been given. They should prepare a presentation covering the following aspects of their given entrepreneur:</p> <ul style="list-style-type: none">• What brands/businesses/products they are well known for.• Net worth of the entrepreneur.• Timeline of the entrepreneurs business life.• Any other relevant information.	 Click here
<p>3. Enterprise.</p> <p>Activities such as Young Enterprise are excellent ways to introduce the skills involved in enterprise, but there is rarely time within the curriculum to offer the full programme. Instead smaller, discrete activities can be used to help students understand and demonstrate enterprise skills. Some ideas include:</p> <ul style="list-style-type: none">• A ten pound challenge - students are given £10 and a week to try and make as much money as possible by doing enterprising things.• Give students the property details for a local commercial property that is for let or sale. In groups, students should come up with an appropriate business to fill the space. This can be done by asking students to do some real market research if time allows. Students can present their ideas to the rest of the class.• Promotion challenge - students to come up with a way of promoting a basic product (such as a pen). Create an advert or poster to outline the promotional strategy.• Revision workshop - students should plan, design, market and then carry out a revision workshop for GCSE Business students using their knowledge of Business. This can be sold to students in Year 11.	



Thinking Contextually: Enterprise

Activities	Resources
<p>4. Factors of production.</p> <p>The factors of production (Alanis Business Academy) https://www.youtube.com/watch?v=V_Inl4S3fZ4</p> <p>A simple video outlining the elements of the factors of production.</p>	 Click here
<p>5. Factors of production and stakeholders.</p> <p>Create a role play involving the common stakeholders of the business. This role play could be based on any business or case study that students are familiar with. Each student should be given one type of stakeholder from the business. Common stakeholders to most businesses include:</p> <ul style="list-style-type: none">• Owners• Customers• Employees/Trade Union• Managers• Local community <p>Each student should spend 10 minutes thinking about the importance of the factors of production to their given stakeholder. The role play should involve a meeting where each of the stakeholders should argue for their own interests in terms of the factors of production involved in that business. Some examples could include:</p> <ul style="list-style-type: none">• Customers – want more/better machinery used to give a better quality product.• Trade union – want more labour to be employed to take the stress from current employees.• Owners – want more innovation and creativity to create a USP.• Local community – want the factory to move to someone else's community. <p>Not every stakeholder will have a view on every factor of production, but all the factors should be covered in the meeting.</p>	

Thinking Contextually: Enterprise

Activities	Resources
<p>6. Organising the factors of production.</p> <p>Split the classroom into four tables/areas. Each table should contain a different type of business. On the table are cards with one of the four factors of production on each. Students should move from table to table and rank the importance of each of the four factors for that particular business. Give each group 5 minutes to discuss the ranking and then ask for their judgement and explanation. Some ideas for businesses with very different needs for the factors of production are:</p> <ul style="list-style-type: none">• A business specialising in Apps for smartphones• A furniture manufacturing business• A hairdressers• A bank• A broadband business• A car retailer• A cinema	
<p>7. Entrepreneurial activity and stakeholders.</p> <p>Dragons' Den (BBC) http://www.bbc.co.uk/programmes/b006vq92</p> <p>Show students any pitch from Dragons' Den. Discuss the stakeholders who would be affected by the business idea being proposed. Students should create a table showing all the stakeholders identified and briefly analyse the impact on each stakeholder assuming the business idea is successful. Students should analyse both the stakeholders who may be positively affected as well as those who may be negatively affected.</p> <p>Students can bring all of their analysis together to write a concluding paragraph to come to a judgement over which stakeholder would be most impacted by the business idea.</p>	 Click here

Curriculum Content: Business Sectors

Introduction to Business: Business Sectors

- Distinguish between primary, secondary and tertiary organisations.
- Distinguish between private, public and third sector organisations.
- Distinguish between local, national and international markets.
- Distinguish between a national and multinational business.
- Explain the legal structure of business: including sole trader, partnership, limited liability partnership, private limited company and public limited company.
- Explain what is meant by limited liability and unlimited liability.
- Evaluate the factors affecting the choice of legal structure of a business.
- Evaluate the impact and importance of legal structure for the stakeholders of a business.



Thinking Conceptually: Business Sectors

Approaches to teaching the content.

How do you describe a business? In essence this topic is looking at ways of classifying businesses and the differences between these classifications. One business can be classified in a number of ways and the approach to this topic should reflect this.

Common misconceptions or difficulties students may have.

Students often fail to realise the (sometimes) subtle differences between different classifications often because the same term is used. If asked to identify which sector a business operates within, should a student answer in terms of the economy (primary, secondary, tertiary) or in terms of ownership (private, public or third)? So often in an examination a student is asked to explain the characteristics of a public sector business and the answer refers to a public limited company.

Good understanding of these classifications comes from clear and concise definitions, good use of examples and real world

application. Students are far more likely to remember which classification is which if they have studied examples that are well known to them and that they are likely to remember.

Most of the classifications need to be 'distinguished between' which requires knowledge and application, but legal structure requires the higher level skills of analysis and evaluation. Teachers will need to devote a larger proportion of teaching time to this classification and students should expect to give analytical and evaluative responses.

Conceptual links to other areas of the specification – useful ways to approach this topic to set students up for topics later in the course.

Every topic in Business will benefit from a 'real world' example or case study. Once this topic has been taught, teachers can use all of the types of businesses to demonstrate other areas of the specification. In particular this topic is essential to teach differing objectives of business (based on the classification of the business) and sources of finance which will be dependent on type of business.



Thinking Contextually: Business Sectors

ACTIVITIES

This topic requires a number of contexts and in fact allows these different contexts to be used in future topic areas. One approach is to find businesses that cover a number of different classifications. For example Microsoft is a secondary and tertiary sector business which operates in the private sector. It is also a multinational business that is classified as a public limited company. This information gives a great deal of data to students to further analyse the business.

Activities	Resources
<p>1. Primary, secondary and tertiary.</p> <p>Sectors of Industry (Times 100)</p> <p>http://download.businesscasestudies.co.uk/retrieve_opito_15_b3BpdG8vdGVhY2hlcnMvMTUvcHJlc2VudGF0aW9uLnBwdHx8</p> <p>Introductory PowerPoint outlining the three sectors of activity.</p>	 Click here
<p>2. Distinguish between the sectors.</p> <p>Develop and hand out a worksheet with names of 20 businesses. Ask students to work in groups to classify these in relevant sector (some businesses could operate in all three). Once this has been completed, give feedback to the whole class.</p>	
<p>3. Private and public sectors.</p> <p>Government and public services</p> <p>http://www.slideshare.net/mraali/difference-between-public-and-private-sector</p> <p>A slideshow describing public and private sector businesses with some good examples.</p>	 Click here

Thinking Contextually: Business Sectors

Activities	Resources
<p>4. The third sector.</p> <p>Ask students to identify third (voluntary) sector businesses that they are aware of. Write the names on the board. Give groups of students one business from the list and ask the group to explain what makes this business different to private sector businesses. This might involve:</p> <ul style="list-style-type: none">• Objectives• Types of employees• Taxation arrangements• Ownership/governance <p>Discuss the results as a class with each group leading the discussion about their business.</p>	
<p>5. Local, national and international.</p> <p>Ask students to draw a table, with a column local, national and one for international businesses. Ask students to research/find/think of 10 examples for each column. This could be done as a competition between students to see who can fill their list in the shortest time. The teacher should check the list to make sure no businesses have been mis-identified.</p>	
<p>6. Multinationals.</p> <p>Ask students to research the difference between an international and multinational business. Students could research using the internet and find examples of multinational businesses.</p>	
<p>7. Legal structure of a business.</p> <p>Choose a legal structure for your business</p> <p>https://www.gov.uk/business-legal-structures/overview</p> <p>A simple set of pages about the different legal structures available in the UK for businesses. Students could use the pages to gain a basic understanding of the structures or to research further types of legal structure.</p>	 Click here

Thinking Contextually: Business Sectors

Activities	Resources
<p>8. Limited and unlimited liability.</p> <p>Unlimited vs Limited Liability? Box it off (Tutor2U)</p> <p>http://www.tutor2u.net/blog/index.php/business-studies/comments/unlimited-vs-limited-liability-box-it-off</p> <p>Activity to explain the difference between limited and unlimited liability.</p>	 Click here
<p>9. Legal structure - Private and public limited companies.</p> <p>Limited liability businesses (KHS Business and Economics Channel)</p> <p>https://www.youtube.com/watch?v=9vay3291XAY</p> <p>An online lesson about limited liability businesses.</p>	 Click here
<p>10. Stakeholders and legal structure.</p> <p>Students should produce a mind-map of all the different stakeholders involved in a business. To add variety, split the class into a number of different groups and give each a different business, each with a different legal structure (ie a sole trader, a partnership etc). Each group should think of as many stakeholders as possible for that organisation. For each stakeholder identified, students should evaluate the impact and importance of the legal structure to that stakeholder.</p>	
<p>11. Exam questions.</p> <p>Knowledge and Understanding questions</p> <p>F291 - January 2013 q4b</p> <p>F291 - May 2012 q1</p> <p>F291 - January 2011 q1a and q1c</p>	

Curriculum Content: Business Functions

Introduction to Business: Business Functions

- Explain the functions of business, including marketing, production, operations management, accounting and finance, as well as customer service, sales and support services.
- Evaluate the impact and importance of the functions of business for the stakeholders of a business.



Thinking Conceptually: Business Functions

Approaches to teaching the content.

The functions of a business are the key roles and activities that need to be performed in most businesses. Each functional area should be using their resources towards reaching the business's objectives. One way to introduce the functions is to see the business as a series of concentric circles. The centre circle represents the objectives of a business. Round the outside of this is management and communication which is part of every business function. The final circle is sectioned into the functions of the business (ie Marketing, production, operations management etc). The functional areas of the business must work together to meet the objectives of the business and it is good management and communication that will enable this to happen.

Common misconceptions or difficulties students may have.

The functions of a business require a contextual approach. One size does not fit all businesses. For example, many businesses that sell to a commercial market have no customer services; a service sector business may not have a production function; a business may outsource the accounting and finance function to an external agency. Students should look at the nature and context of the business so that they can understand what functional areas should exist and then go on to be able to evaluate the impact and importance of those areas.

Conceptual links to other areas of the specification – useful ways to approach this topic to set students up for topics later in the course.

Understanding the functional areas of a business is essential towards gaining a complete picture of a business. One useful way to approach the topic is to look at well-known businesses (local, national and international) and discuss the functions essential to the successful operation of that business. By looking at different businesses, with different functional needs, students can start to understand that this is one of the most important ways of describing the specific context of a business. In every topic in the specification, this ability will be essential to analysing and evaluating business problems and decisions in their own specific context.



Thinking Contextually: Business Functions

ACTIVITIES

Every business has its own specific functional needs and requirements. Therefore students need to be introduced to as many different contexts as possible in this topic area. Ideally, teachers should aim to use examples of businesses where each functional area is particularly important, but also to use contexts where the combination and collaboration of the functional areas is the key to business success. Many past F292 and F297 case studies cover a number of the functional areas of business and give a good range of contexts for teachers to use.

Activities	Resources
<p>1. Introduction to business functions.</p> <p>Business functions and organisation (Bized)</p> <p>http://www.bized.co.uk/sites/bized/files/docs/busorg.ppt</p> <p>A basic PowerPoint that outlines the basic elements of each of the main business functions.</p>	 Click here
<p>2. The role of business functions.</p> <p>Ask students to role play a business meeting. Students should role play a business meeting of a new business (this can be done in conjunction with organised extra-curricular activities such as Young Enterprise if time allows). Each student should take the role of a director of one of the functional areas (marketing, production and/or operations management, accounting and finance, customer service, sales and support services). Ask students to come up with a product or service to sell. If students cannot come up with an idea then give students a basic product to sell. This could be something simple like a pen. Each student should write a set of bullet points based on the importance of their functional area to the launch of the new product. Role play the meeting and come to a plan for launching the product.</p>	



Thinking Contextually: Business Functions

Activities	Resources
<p>3. Debate.</p> <p>Each student should be given a functional area of a business. The teacher should randomly pick the name of a well-known business. Students should be given 30 seconds to argue why their functional area is the most important to that particular business. This can be done in the style of a balloon debate with students being voted 'out' of the balloon http://en.wikipedia.org/wiki/Balloon_debate. The activity can be repeated with different students and a different business to demonstrate the differing nature of the business functions in different businesses.</p>	 Click here
<p>4. Stakeholders perspective.</p> <p>The activity requires a case study covering a number of business functions. Any case study will do, but one suggestion is to use the F292 (Jun 2014) case study based on AAB. Students should be given an A3 piece of paper. They should divide the sheet into 8 sections. Within each section they should write the name of a stakeholder from the case study. For each stakeholder the students identify the three most important functional areas to that stakeholder and explain why it is important to that stakeholder.</p>	
<p>5. Exam questions.</p> <p>Using any F292 or F297 case studies (or any other relevant case study) a number of evaluative questions can be asked. Below are some examples of questions, but the functional area and the stakeholders identified can be changed as appropriate.</p> <ul style="list-style-type: none">• Evaluate the impact of marketing on the stakeholders of the business.• To what extent is finance the most important function of the business.• Discuss the impact that poor production process could have on the stakeholders of the business.• Discuss the importance of customer services on customers of the business.	

Curriculum Content: Business Size and Growth

Introduction to Business: Business Size and Growth

- Distinguish between small, medium and large enterprises.
- Explain how and why the size of a business is measured.
- Evaluate the factors affecting the size of a business.
- Evaluate the impact and importance of the size of business to the stakeholders of a business.



Thinking Conceptually: Business Size and Growth

Approaches to teaching the content

The size of a business is an important element of the context of a business. Size can have an effect on market power, brand identity, recruitment and many other aspects of a business. Therefore it is essential that students can distinguish between small, medium and large enterprises as well as understand and use a number of measures of how a business is measured.

Of course there is no one definitive way to measure a business and students must learn to use the context to decide what measures to use.

The context of the industry can affect the size of the business and it may be appropriate for a business to remain small to compete in their chosen industry. Big is not always beautiful and certainly not always most efficient or effective.

Common misconceptions or difficulties students may have.

Size is not a definitive quantity in terms of business. A judgement of size using one measurement might show a business to be a market leader, whereas on another measurement it may appear relatively small. Many textbooks use profit as a measurement of size. There is logic to this in some circumstances; however profit is not a good measurement of business size in many others.

Conceptual links to other areas of the specification – useful ways to approach this topic to set students up for topics later in the course.

Measuring the size of a business can add to the understanding of the context of the business. This topic is essential to understand so that students can go and understand ways in which a business can become more efficient (ie economies of scale, lean production etc) and it links in with the appropriateness of objectives, such as growth.



Thinking Contextually: Business Size and Growth

ACTIVITIES

Size must be seen as a relative measurement. In essence any measurement is pointless without comparisons. These could be comparisons with previous years trading to show how size has changed over time, or perhaps comparisons with other similar businesses to show relative market power.

Therefore any case studies used must allow for easy comparisons by including data over time or data about other businesses in the market.

Activities	Resources
<p>1. Characteristics of small, medium and large businesses.</p> <p>Divide students into three groups. Each group should be given either small businesses, medium businesses or large businesses. The groups should discuss and then come up with a list of the characteristics for their sized business.</p> <p>As an extension activity, the groups can start to analyse the benefits and costs of being small, medium or large sized business. What opportunities and threats might exist for each type of business? Can each group come up with an example of a type of business or industry where it is better to be small, medium or large?</p>	
<p>2. Measurements of business size.</p> <p>Ask students to come up with one small, one medium and one large sized business (in their opinion). For each they should try to explain why they believe it is small, medium or large sized. This can be done as a written exercise, or as a class discussion.</p> <p>From the student explanations, a list of ways of judging the size of a business can be created.</p>	

Thinking Contextually: Business Size and Growth

Activities	Resources
<p>3. Research.</p> <p>Largest companies by revenue</p> <p>http://en.wikipedia.org/wiki/List_of_largest_companies_by_revenue</p> <p>The table in this Wikipedia page can be sorted by revenue, number of employees and capitalisation to show different measurements of size. As an extension activity, students could research further one of the businesses on the list.</p>	 Click here
<p>4. Other measurements.</p> <p>Ask students to find the largest/biggest brand/business in the world. Students should use the internet to find the largest/biggest using different measurements of size. There are a number of ways this can be done:</p> <ul style="list-style-type: none">• To find the most unusual measurement of size• To find the business that is the largest using 3 or more measurements of size• To find the largest/biggest business within 25 miles of the school/college	
<p>5. Factors affecting size of business.</p> <p>Each student should be given (or choose) a business to investigate. Each student should produce a report including:</p> <ul style="list-style-type: none">• Three measurements of the businesses size• A comparison for at least one of these measurements over time (past three years) - has the business grown, shrunk or stayed the same size? This information could be presented in a graph• A comparison of the size of the business against at least one competitor in the market• What internal factors have contributed to the current size of the business (ie factors which the business itself can control)• What external factors have contributed to the current size of the business (ie factors which the business cannot control)• An analysis of the benefits and costs of the business of getting smaller• An analysis of the benefits and costs to the business of growing larger	



Thinking Contextually: Business Size and Growth

Activities	Resources
<p>6. Stakeholders.</p> <p>This activity uses the supermarket/grocery industry as a basis for discussing the impact and importance of business size on stakeholders.</p> <p>Other industries could be used as long as students are aware of the industry.</p> <p>Students should be asked to identify as many grocery shops in the local area. This should include small independent shops and larger supermarkets.</p> <p>In groups students should discuss and come to a decision about the relative size of each of these businesses. Each group should present their list to the rest of the group and discuss which business is largest and smallest. Hopefully the groups can come to consensus.</p> <p>For each of the businesses students should analyse the impact and importance of the businesses size on three stakeholder groups:</p> <ul style="list-style-type: none">• Owners• Customers• Employees	
<p>7. Exam questions.</p> <p>F291 May 2011 - q1a F291 May 2012 - q4a and q5</p>	



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