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| **Business GCSE**  **Unit 1.3 : Putting a business idea into practice** | **Road Map** | | | | | |
| In this unit you will investigate business calculations and business performance  **LG1**: Knowledge  **LG2**: Application  **LG3**: Skills | Assessment Grades |  |  | | | |
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| **Themes** | **Learning Goals/Outcomes/Content** | | |  |  |  |
| 1.3.1 Business aims and objectives | LG1: Know what business aims and business objectives are.  LG1: Identify business aims and objectives when starting up:   * Financial aims and objectives: survival, profit, sales, market share, financial security * Non-financial aims and objectives: social objectives, personal satisfaction, challenge, independence and control   LG1: know why business aims and objectives differ between businesses.  LG2: Identify and explain financial and non-financial aims and objectives for a business | | |  |  |  |
| 1.3.2 Business revenues, costs and profits | LG1: Know what business costs, variable and fixed, running and start-up costs are  LG1: Know how profit is calculated  LG2: Identify start up and running costs for a business  LG2: Identify fixed costs and variable costs for a business  LG2: Calculate fixed costs, variable costs and total costs  LG2: calculate revenue and profit for a business  LG3: analyse ways in which profit can be maximised | | |  |  |  |
| 1.3.2 Business revenues, costs and profits | LG1: Know the definition of break-even point, margin of safety, point and loss  LG2: Calculate break even and margin of safety for a given business  LG2: Identify break-even point, area of profit, area of loss and margin of safety using break even chart  LG3: Analse the impact of changes in costs and revenue on break even and margin of safety | | |  |  |  |
| 1.3.3 Cash and cash-flow | LG1: Know the importance of cash to a business:   * To pay suppliers, overheads and employees. * To prevent business failure (insolvency). * The difference between cash and profit.   LG1: Know that a business needs to plan to avoid cash flow problems arising.  LG1: know that cash is not profit  LG2: Calculate cash inflows, cash outflows, net cash-flow, opening and closing balances | | |  |  |  |
| 1.3.4 Sources of business finance | LG1: Know short-term sources: overdraft and trade credit  LG1: Know long-term sources: personal savings, venture capital, share capital, loans, retained profit and crowd funding  LG2: Identify possible sources of finance for a small start-up or established business  LG3: analyse sources and make recommendations | | |  |  |  |

**Links:**

**Prior Knowledge:** During unit 1.1 you learnt about added value and how a business will change and alter products and services to increase price and cover costs. You have also looked at why business ideas come about and also how businesses in different sectors may have different reasons for starting up e.g. to make profit or cover costs. In this unit you will build on this knowledge to look at the different costs a business face and how it can measure this using different tools.

**Future knowledge:**

You will develop this work further in year 10 and year 11when you look at larger businesses and identify other sources of finance that are more appropriate as a business grows. You will also build on your knowledge of profit and loss and breakeven when looking at how calculations can be used to make judgement for capital investment and the performance of a business.