

OxfordAQA

International AS Level

Business (9725)

AS Scheme of work

For teaching from September 2026 onwards
For International AS exams in June 2027 onwards
For International A2 exams in June 2028 onwards

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Introduction

The schemes of work provided for each unit are intended to assist teachers with the planning and teaching of lessons for the Oxford AQA International AS/A-level Business (9725) specification. The purpose of these schemes of work is to provide advice and guidance to teachers, not to prescribe and restrict their approach to the specification. Each scheme has been produced by a practicing subject expert. There are obviously many other ways of organising the work, and there is absolutely no requirement to use this scheme.

Assumed coverage

This scheme assumes that the AS course is a one-year course or the first year of a two year A-level course, with approximately 135 taught hours per year (4.5 hours of lessons per week). Work would also need to be completed outside of lessons, although this would ultimately depend on the amount of contact time available and the extent to which assessment activities take place within lesson time.

One/two teacher model

This scheme is set out as a potential model for one teacher, with a linear approach to the subject content (sections 3.1.1 to 3.2.3).

With two teachers, the model could be broken down as follows:

- Teacher 1: 3.1.1.1/3.1.2/3.2.1
- Teacher 2: 3.1.1.2/3.1.1.3/3.2.2/3.2.3

The allocation of functional areas could be changed according to teacher preference.

National focus

When studying the subject content, students may focus on businesses and the business environment in their own country but should be aware that there may be differences between countries and those changes in the business environment on one country can affect businesses in another.

3.1 Business and markets

3.1.1 What is business?

Specification reference

- 3.1.1.1 The nature and purpose of business

Specification content

- Entrepreneurs
- Business objectives
- Business plans

Learning outcomes

- **Entrepreneurs**

Students will be able to understand:

- The reasons why people set up in business: financial and non-financial motivations
- Characteristics of an entrepreneur
- Challenges of being an entrepreneur and starting up a business
- How the role of entrepreneurs may change as the business grows

- **Business objectives**

Students will be able to understand:

- Typical business objectives (survival, profit, growth, cash flow, social)
- The features of effective objectives (SMART objectives)
- The value of setting business objectives.

- **Business plans**

Students will be able to understand:

- The business plan
- The key elements of a business plan
- The benefits and limitations of a business plan
- Meaning and significance of competitiveness.

Suggested timing

9 hours

Possible teaching and learning activities

- **Entrepreneurs**
 - Presentation to students to explain why people set up in business ([tutor2u.net/business/reference/entrepreneurs-reasons-for-setting-up-in-business-a-level](https://www.tutor2u.net/business/reference/entrepreneurs-reasons-for-setting-up-in-business-a-level)). Group discussion to separate financial and non-financial motivations.
 - Students could work in small groups to research different entrepreneurs from their local country or globally known entrepreneurs (Jeff Bezos, Richard Branson, Elon Musk, Jack Ma). Students could then present in groups to the class the story of their chosen entrepreneur, including the characteristics these people demonstrated. Group discussion: what shared characteristics did they display? Link to the characteristics in the specification (risk taker, resilient, hardworking, creative, passionate, innovative, adaptable).
 - Ranking activity – students could work in pairs to rank the characteristics in terms of importance for success in each of the different presentations.

- **Business objectives**
 - Teacher led presentation to introduce typical objectives a business may set, such as survival, profit, growth, cash flow, social objectives ([tutor2u.net/business/reference/business-objectives-overview](https://www.tutor2u.net/business/reference/business-objectives-overview)).
 - Group discussion: why might a business need to adjust its objectives depending on factors such as the age of the business age, what the owners are hoping to achieve etc.
 - SMART objectives – provide students with vague business objectives and ask them to rewrite them as SMART objectives ([tutor2u.net/business/reference/smart-objectives](https://www.tutor2u.net/business/reference/smart-objectives)). Peer-assess each other's objectives and suggest improvements.
 - Personal objectives – students can write an aim for themselves – what they want to achieve in their AS level business course eg A grade. They can write objectives to help them achieve this aim (then make them SMART). Discussion – how could setting objectives improve the chances of achieving the aim?
 - Case study carousel – short case studies of different businesses (start-ups, charities, family businesses – fictional or real). In small groups, rotate around stations and identify the most likely objectives for each business, justifying their choices. Extension: how might these change over time or in response to external shocks eg a new competitor?
 - Homework – students choose a real business and identify at least three likely objectives, explaining their reasoning.

- **Business plans**

- Presentation to explain the key elements of a business plan and the value of a business plan to a business. Q&A: why do banks and investors care about business plans? Why might some entrepreneurs see them as restrictive?
- Business plan critique – provide students with a sample business plan (startups.com/articles/top-4-business-plan-examples). Students identify strengths, weaknesses and missing elements.
- Put students into small groups. Give each group a different business (café, cinema etc). Students work together to design a simple business idea and produce a one-page business plan including: business name and ownership type, objectives, target market and basic market analysis, competitor analysis, USP and simple financial projections (start-up costs, expected revenue). Groups present their plan to the class who will act as potential investors. Did the plan give enough information to get investment?
- Competitiveness investigation– students research examples of businesses that have a competitive advantage over others in the market (eg Apple, Patagonia, local brands). Students then refine the USP in their own business plan.
- Benefits vs limitations debate – split the class into two groups. One group argues that business plans are essential for success; the other argues that business plans can be restrictive and unnecessary. Whole-class reflection: when are business plans most useful? When might flexibility be more important?
- Homework: Watch a pitch from Shark Tank or a local equivalent (abc.com/show/535e2b07-18a9-4d94-9803-9ed8257b9d23) and write a business plan for that business.

3.1.1.2 Types of business ownership

Specification reference

- 3.1.1.2 Types of business ownership

Specification content

- Forms of business
- Shareholders

Learning outcomes

- **Forms of business**
Students will be able to understand:
 - The meaning of primary, secondary and tertiary sectors
 - Reasons for choosing different forms of business and for changing business forms
 - Advantages and disadvantages of:
 - sole traders
 - partnerships
 - private limited companies (Ltd)
 - public limited companies (plc)
 - social enterprises
 - The meaning and significance of private sector vs public sector organisations
 - Issues to consider when comparing forms of business:
 - Advantages and disadvantages of operating as:
 - a family business
 - a small business
- **Shareholders**
Students will be able to understand:
 - Reasons to be a shareholder
 - Meaning of share capital (equity)
 - Influences on share price and significance of share price changes
 - Meaning and significance of:
 - dividends
 - dividends per share (calculation)
 - dividend yield (calculation)
 - market capitalisation (calculation)
- **Business and stakeholders**
Students will be able to understand:
 - The difference between internal and external stakeholders
 - The interests, objectives and priorities of different stakeholder groups
 - The impact of business activity on stakeholder.

Suggested timing

9 hours

Possible teaching and learning activities

• Forms of business

- Teacher presentation explaining primary, secondary and tertiary sectors. Mix and match activity - students classify a list of businesses into sectors (real businesses or examples of businesses). Extension: students to research how economy of the country they live in has shifted between sectors over time.
- Presentation to introduce different types of ownership: sole traders, partnerships, Ltds, plcs and social enterprises
([tutor2u.net/business/reference/business-organisation-introduction-to-business-ownership](https://www.tutor2u.net/business/reference/business-organisation-introduction-to-business-ownership))
- Independent work: students complete a comparison table of the different types of business ownership, including issues of liability, control, finance, advantages and disadvantages.
- Mini-whiteboard quiz: teacher to read out some information about a business type eg I have limited liability and can sell shares on the stock market. Students to write down which business form is being described.
- Carousel stations around the classroom with short case studies on eg a local bakery, tech start-up, charity, large multinational. Students rotate individually/in small groups and write down: the likely form of business, reasons for choosing that form and potential advantages/disadvantages.
- Class debate: "Should more services be run by the private sector?"
- Students research real family businesses (local or global e.g. Ford, Volkswagen, Wal-Mart. Group discussion: has being a family business led to the success of these businesses? Are there any downsides?
- Teacher provides a range of scenarios where a business changes form (from sole trader partnership, Ltd to plc etc). Students identify reasons for change (growth, finance, risk, control).
- **Retrieval practice:** [tutor2u.net/business/reference/aqa-a-level-business-business-forms-key-word-chop-activity](https://www.tutor2u.net/business/reference/aqa-a-level-business-business-forms-key-word-chop-activity)

• Shareholders

- Presentation explaining what shareholders are and why people invest. Students brainstorm financial and non-financial motives.
- Tutor2u activity: a piece of cake to introduce the idea of shares/selling shares
([tutor2u.net/business/blog/starter-activity-a-piece-of-cake-limited-companies](https://www.tutor2u.net/business/blog/starter-activity-a-piece-of-cake-limited-companies))
- Business in the news: students find/analyse topical news articles about share price changes and identify a list of potential causes for the change in share price.
- Teacher models calculations for dividends per share, dividend yield, market capitalisation ([tutor2u.net/business/reference/dividends](https://www.tutor2u.net/business/reference/dividends))
- Students complete a calculation worksheet using real or fictional data.
- Students use a stock market website (FTSE, Dow Jones etc) to find out the market capitalisation of well-known companies. Discussion: "Does the market capitalisation matter more than share price alone?"
- **Homework:** Research a real business and identify its form of ownership, explaining possible reasons why this form of ownership was chosen.
- Homework: Research task: find a recent news story where share price changed significantly and explain why.

- **Business and stakeholders**

- Teacher presentation introducing internal and external stakeholders. Students create a mind map showing all the stakeholders they can think of for a business they are familiar with eg their school or college, or a local café.
Stakeholder interests and objectives
- Students complete a table listing each stakeholder group and their likely interests (eg employees want job security, customers want value for money).
Extension: students identify which interests may conflict with business objectives such as profit maximisation.
- Teacher provides several different scenarios (see suggestions below). Students analyse the impact each decision could have on each stakeholder group. This could be done in groups or as a carousel activity.
 - a business choosing to raise prices
 - factory being closed
 - a business switching to a cheaper supplier overseas
 - the launch of a new, environmentally friendly product
- Set up stations around the classroom. Each station should have a case study highlighting a different stakeholder issue (eg strikes, supplier disputes, community protests). Students rotate around the room individually or in pairs and answer:
 - Which stakeholders are affected by this?
 - What would the stakeholder be interested in?
 - How has the business impacted them?
 - What could the business do differently to make the stakeholder group happier?Extension: why could stakeholder resistance be a problem for a business?

3.1.1.3 The external environment

Specification reference

- 3.1.1.3 The external environment

Specification content

- Market conditions
- External business environment

Learning outcomes

- **Market conditions**
Students will be able to understand and calculate:
 - Market size (volume and value)
 - Market growth/decline
 - Market share
 - Four-firm concentration ratio
 - Barriers to entry
 - Effects of high vs low barriers to entry on existing businesses and customers
 - How market conditions (eg saturated markets, dynamic markets) affect demand, business decisions and profits
- **External business environment**
Students will be able to understand:
 - How changes in the external environment affect costs, demand, decisions and profits
 - The effects of changes in:
 - incomes (normal vs inferior goods, income elasticity of demand, YED calculations)
 - interest rates
 - exchange rates
 - costs of inputs
 - competition

Suggested timing

9 hours

Possible teaching and learning activities

- **Market conditions**
 - Students complete simple calculations using worksheets, to ensure they are familiar with how to calculate market size, growth and share.
 - Provide data on a market, such as global soft drinks, which is heavily dominated by a small number of large businesses. Discussion: “What does a high concentration ratio mean for competition and consumers?”
 - Students are given a range of different barriers to entry into different market, which they will categorise according to the type of barrier, eg financial, legal,

technological, and behavioural. In pairs, students can discuss how easy or difficult these barriers would be to overcome/ways they could be overcome.

- Case study: working in pairs, students are given an industry eg supermarkets, global streaming, gym wear. They must produce a report outlining what barriers exist to this market.
- Teacher explains saturated markets (slow growth, intense competition) vs dynamic markets (rapid change, innovation). Students research two different markets and justify if they are saturated or dynamic. Group task: identify different strategies businesses might use in each type of market depending on if they are dynamic or saturated.
- Set up stations around the classroom. Each station should have large A4 printed images with graphs/tables showing:
 - market growth
 - market share
 - concentration ratiosStudents rotate around the room and answer questions on each station such as: calculate the market growth rate, calculate the market share of business X, calculate the four firm concentration ratio, what industry do you think this is?

- **External business environment**

- Teacher presentation on how external factors affect costs, demand and profits. Students read a recent news article outlining economic changes in a country. Highlight unfamiliar words (this may include inflation etc.) Research any words they were unfamiliar with (this could be a homework task).
- Teacher explains normal vs inferior goods and income elasticity of demand (YED). Using a worksheet, students calculate income elasticity of demand using provided data. This could be one scenario eg income rises in an economy by 5%, calculate the YED for a range of different products. Extension: students classify products as normal or inferior based on real data.
- Teacher led explanation: how would a change in exchange rate affect imports, exports and competitiveness. Students complete a table showing winners and losers when the domestic currency strengthens or weakens.
- Fictional case study about a business importing from Brazil to the USA and selling from the USA to the UK. Research time periods when this business would benefit from its currency (in relation to imports and exports).
- Students explore how changes in raw material prices, wages or energy costs affect business decisions.
- Students work in pairs. Different pairs are given different industries eg fast food, oil, banking). Create a presentation to deliver to the class, showing the competitive pressures that exist in that industry.
- Students analyse a case study showing multiple external influences (eg rising interest rates, increased competition, higher input costs). Questions could include:
 - Identify as many external factors affecting the business as you can
 - How will each factor impact costs, demand and decisions?
 - Which factor is most significant and why?
- Homework research task: find a news article showing how an external factor affected a business and summarise the impact.

3.1.2 Marketing

Specification reference

- 3.1.2.1 Marketing objectives and plans

Specification content

- Marketing objectives
- Marketing plans
- External and internal influences on marketing plans, objectives and decisions

Learning outcomes

- **Marketing objectives**
Students will be able to understand:
 - Different types of marketing objectives:
 - sales volume
 - sales value
 - market share
 - customer retention and repeat sales
 - brand loyalty
 - sales per product/employee/region/store/customer
 - How to calculate and interpret data relating to these objectives
- **Marketing plans**
Students will be able to understand:
 - Elements of a marketing plan:
 - marketing objectives
 - marketing mix
 - marketing budget
 - Purpose and value of marketing plans and the elements in them
 - How to calculate return on marketing spending (ROMS)
- **External and internal influences on marketing plans, objectives and decisions**
Students will be able to understand:
 - Influences on demand: price, income, competition, marketing activities, number of customers, customer preferences
 - Impact on marketing decision of market conditions and competition
 - Impact of resources on marketing activities (budget, employee skills, capacity)

Suggested timing

9 hours

Possible teaching and learning activities

- **Marketing objectives**
 - Students given a main corporate objective. They must write three marketing objectives to support this corporate objective. Peer assessment – is the objective appropriate and is it relevant to the marketing department?
 - Students complete a worksheet calculating:
 - sales volume
 - sales value
 - market share
 - Students research examples of loyalty schemes in different industries eg supermarkets, coffee shops, cinemas and any others they can think of. Group discussion: how do loyalty schemes support repeat sales and retention?
 - Students identify an industry they haven't looked at/one that doesn't really use loyalty schemes. Design a simple loyalty scheme for a chosen business in that industry.
 - Students analyse fictional data (sales per employee/product/region) to identify which region or product line is performing best. Pair work: students suggest marketing actions based on the data to increase business success
 - Stations with graphs/tables showing sales trends, market share changes, retention rates. Students rotate around the room and answer questions based on the data.
- **Marketing plans**
 - Teacher presentation explaining the structure and purpose of a marketing plan (revision opportunity – how does this compare to a business plan?) Compare similarities and differences on the board.
 - Teacher explains marketing budgets and returns on marketing spending. Student worksheet to calculate ROMS in range of scenarios. Class discussion – which scenario was most effective? What actions should the business with the least effective return take?
 - In small groups, students are given a local business. They must create a simple marketing plan for a new product or service including objectives, target market, marketing mix, budget, expected outcomes. Groups present their plan to the class or submit as a report.
 - Create a mock marketing plan with some errors/weaker areas. Students review this marketing plan, identifying strengths, weaknesses and missing elements. Homework task: rewrite one section of the marketing plan to improve clarity or effectiveness.
- **External and internal influences on marketing plans, objectives and decisions**
 - Students analyse a range of news articles. These should include different situations, showing a business changing its price, income in the economy changing or a new competitor launching and predict demand changes.
 - Show videos of innovative marketing campaigns done with a very limited budget ([fdry.com/the-best-low-budget-marketing-campaigns-of-all-time/](https://www.fdry.com/the-best-low-budget-marketing-campaigns-of-all-time/)).
 - Case study activity: provide students a case study about a small business with limited resources and two potential promotional strategies that the business could choose. Students should pick one strategy and justify their recommendation.

3.1.2.2 Marketing data

Specification reference

- 3.1.2.2 Marketing data

Specification content

- Market research
- Interpretation of marketing data

Learning outcomes

- **Market research**
Students will be able to understand:
 - Advantages and disadvantages of primary research methods: surveys/questionnaires, interviews, focus groups, observations
 - Advantages and disadvantages of secondary research sources: websites/social media, academic journals, government publications, media articles
 - Value of qualitative vs quantitative data
 - Advantages and disadvantages of types of samples methods: random, stratified, quota
 - The value of sampling
 - The value of primary and secondary market research
 - Influences on choosing research methods: cost, time, reliability of findings
- **Interpretation of marketing data**
Students will be able to understand:
 - How marketing data is used in decision-making and planning
 - How to interpret correlation values (positive/negative, strong/weak)
 - The meaning and significance of confidence levels and confidence intervals (eg 95% confidence level)

Suggested timing

9 hours

Possible teaching and learning activities

- **Market research**
 - Conduct some primary research in the class eg a survey of favourite items on the lunch menu or a focus group to discuss improvements that could be made to a local business or product.
 - Students work in groups to conduct primary research. Each group is given a different type of research eg surveys, interviews, focus groups and observations. Feedback to the class on how suitable this method was to gather the information they needed and any difficulties they encountered. Each group could create a short “information card” for their type of research, showing:
 - a description of the type of research

- advantages
- disadvantages
- where/when this could be an appropriate method

Each group then teaches their method to another group (peer teaching).

- Students are given a market to research eg coffee shops, hairdressing. Only secondary research can be used to help make decisions for a new business entering this market (how much to charge, where to locate).
 - Students analyse sample data sets and identify whether they contain quantitative or qualitative data. Class discussion: “Why do businesses need to gather both quantitative and qualitative data?”
 - Give each student a card with a number on. Explain that the lesson will involve conducting primary research of a class opinion (eg favourite flavour of crisp, preferred social media). First, demonstrate random sampling by drawing numbers from a hat. Then show quota sampling by setting quotas (such as equal numbers of boys and girls) and selecting based on that. Finally, show stratified sampling. Divide the class into clear strata (eg by age or subject choices) and sampling from each stratum. Class discussion – which is the best method of sampling?
 - Provide a badly written questionnaire to students (eg unclear or leading questions). Students rewrite the questionnaire to improve reliability and validity.
 - Students design and conduct a small piece of primary research (eg student preferences for a new school lunch item or proposed change to the school day). If appropriate, students can collect real data, summarise findings and present recommendations.
- **Interpretation of marketing data**
 - Provide students with fictional marketing data for a business eg a new fashion retailer. Students make decisions for the business based on this data.
 - Teacher led presentation to introduce correlation values (positive/negative, strong/weak). Show redacted data eg a graph showing strong positive correlation on a graph for sales of Starbucks. Students guess what is on the other axis.
 - Confidence interval data: students to give themselves a predicted grade for the end of the course, and then show how confident they are of achieving that exact grade/a broader range eg A-C.
 - Data interpretation discussion. Show a confidence interval on the board. What does it mean? Why is the business more confident with a broader data set?
 - Students given a pack of market research information for a business. They need to answer structured questions based on the pack, including:
 - What type of research was collected?
 - What does the data show?
 - What decisions should the business make? Students can also question the reliability of the data (eg some could purposefully be out of date or a bias/small sample).

3.1.2.3 Segmentation, targeting and positioning

Specification reference

- 3.1.2.3 Segmentation, targeting and positioning

Specification content

- The process of segmentation, targeting and positioning
- Market segmentation methods:
 - Demographic
 - Geographic
 - Psychographic
 - Behavioural
- The value of market segmentation
- Influences on choosing a target market and positioning
- Value of targeting
- Advantages and disadvantages of niche and mass marketing
- Meaning of positioning including premium and budget positioning
- Reasons for, and challenges of, changing positioning.

Learning Outcomes

- **Segmentation, targeting and positioning (STP)**
Students will be able to understand:
 - The process of segmentation, targeting and positioning and how the three stages link together
 - Different methods of market segmentation: demographic, geographic, psychographic and behavioural
 - The value of market segmentation for businesses of different sizes and in different markets
 - Influences on choosing a target market: market size, competition, resources, profitability, brand identity, legal/ethical factors
 - The value of targeting and how it supports effective marketing decisions
 - Advantages and disadvantages of niche and mass marketing approaches
 - The meaning of positioning, including premium and budget positioning
 - Reasons why a business may change its positioning and the challenges involved in repositioning

Suggested timing

4 hours

Possible teaching and learning activities

- **Segmentation, targeting and positioning (STP)**
 - Give students a simple product they will all be familiar with (for example bottled water). Ask student to work in groups. Give each group a different market segment. Each group to create a campaign to suit their segment (considering advertising, the product, packaging, price etc).
 - Provide students with profiles of fictional consumers (this could be a social media profile). Students to organise consumers cards based on which segments they could fit into.
 - Compare luxury and budget brands. Students plot brands in a particular industry on a positioning map (for example using price and quality). How do different businesses compete in the same market?
 - Create segmentation cards (demographic, geographic, psychographic, behavioural) and ask students to match products to the most suitable segmentation method.
 - Provide students (in print or on the board) real adverts from social media, TV etc and identify which segment each advert is targeting. Students could redesign the advert based on a new market segment.
 - Repositioning challenge: Students choose a well-known brand in a familiar industry (such as airlines) and propose how it could be repositioned. Provide extreme examples of budget or luxury (such as Emirates and EasyJet).

3.1.2.4 The marketing mix

Specification reference

- 3.1.2.4 The marketing mix

Specification content

The elements of the marketing mix (4Ps)

- Product
- Pricing
- The promotional mix
- Distribution (place)
- The importance of marketing

Learning outcomes

- **The elements of the marketing mix (4Ps)**

Students will be able to understand:

- How the marketing mix applies to goods and services
- How the marketing mix differs in B2B and B2C contexts
- The importance of an integrated marketing mix
- How internal and external factors influence marketing mix decisions

- **Product**

Students will be able to understand:

- Influences on new product development (NPD)
- The stages of NPD: idea generation, screening, concept testing, business analysis, product testing, launch
- Factors affecting the success or failure of new products
- Extension strategies (advertising, rebranding, price changes, product adaptation)
- The value of branding, own-label brands and brand loyalty

- **Pricing**

Students will be able to understand:

- Influences on pricing decisions: objectives, target market, demand, PED, costs, competitors, marketing mix
- Pricing methods:
 - cost-based
 - demand-based (penetration, skimming, dynamic pricing)
 - competition-based (premium, going rate, discount)
- How to calculate and interpret:
 - price elasticity of demand (PED)
 - impact of price changes on quantity demanded and revenue
 - cross-price elasticity of demand (XED)
 - impact of price changes of one product on demand for another

- **The promotional mix**
Students will be able to understand:
 - The purpose and value of promotion
 - Advantages and disadvantages of promotional methods: advertising, sales promotions, sales force, PR, sponsorship, social media
 - Influences on the promotional mix
- **Distribution (place)**
Students will be able to understand:
 - Advantages and disadvantages of distribution channels: online, agents, wholesalers, retailers
 - Multi-channel distribution
 - Influences on distribution decisions
- **The importance of marketing**
Students will be able to understand:
 - Technological developments in marketing (digital marketing, social media, dynamic pricing, e-commerce)
 - Ethical issues in marketing (misleading promotions, targeting vulnerable groups)
 - How marketing decisions influence competitiveness
 - How marketing decisions interrelate with other business functions

Suggested timing

13 hours

Possible teaching and learning activities

- **The elements of the marketing mix (4Ps)**
 - Give students several marketing decisions. Students work in pairs to classify each example of into product, price, place or promotion. You could also use a set of scenario cards to sort a range of them into the correct category.
Extension: compare how the 4Ps differ for goods vs services (such as Uber) by analysing paired cards and identifying which characteristics affect each element of the marketing mix.
 - Students compare the marketing mix of a range of businesses including:
 - a software development company selling B2B, focusing on long-term contracts, customisation and building relationships with customers
 - a clothing retailer selling B2C, with a focus on branding, pricing strategies and multi-channel distribution
 - Provide a case study for students containing some weaker areas of the marketing mix such as promotional activities unlikely to reach the target market. Students analyse the case study and identify whether the marketing mix is consistent and integrated. In pairs, students can suggest improvements to ensure alignment between the 4Ps and the target market.
 - Sorting activity: students match real or fictional business scenarios to the correct element of the marketing mix, explaining why each example fits that category.
 - Students redesign the 4Ps for a struggling product, proposing realistic changes to improve customer appeal and market performance.

- **Product**

- Students map real products (eg iPhone, Tesla vehicles) to the stage these products are at in terms of new product development. Research any products in development they may not be aware of. Group task: create a new product idea and outline each NPD stage for this idea.
- Students research famous product failures (eg Google Glass, New Coke). Ask students to identify reasons for failure in each example, such as poor market research, inappropriate pricing, bad timing. Extension task: compare with successful launches and what made these more successful.
- Students analyse products in decline and propose extension strategies. Give students a product in the decline phase of the product life cycle. Students can redesign packaging or branding for a declining product.

- **Pricing**

- Case study: students recommend a pricing strategy for a new product. Give contrasting businesses/products such as a new technological device vs a new item on a fast-food item menu. Discussion – why were different pricing strategies chosen.
- PED calculations. Use the resource here: [tutor2u.net/business/blog/a-prime-example-of-price-elasticity-of-demand](https://www.tutor2u.net/business/blog/a-prime-example-of-price-elasticity-of-demand) to calculate the PED for Amazon time. Discussion – is demand elastic or inelastic and? Why? Is this still likely to be true for prime? Why may it have changed?
- Teacher introduces the idea of complements and substitutes. Matching exercise: use cards to match the products to a complement/substitute (or ask suggests to suggest complements and substitutes for different products/services). Students to estimate the strength of the relationship. Teacher then provides data, allowing students to complete calculations to work out the relationship between the different products.
- Students analyse how price changes affect revenue using PED values. Scenario: If price increases by 10%, what happens to revenue? Students justify pricing decisions based on elasticity.

- **The promotional mix**

- Students identify promotional methods used by real businesses. This could be a research task or provided to pupils in print form. Discussion around the idea of a promotional mix (very few businesses use only one form of promotion).
- Group activity. Each group is given a different scenario (based on the budget, level of competition, product type and target market). Create a promotional campaign to present to the class. Other members of the class to guess if the group had a high/low budget, lots of competition or not etc.

- **Distribution (place)**

- Students given a set of cards with different products on. Sort the cards into the most suitable distribution channels (online, wholesalers, retailers, agents). Provide a justification as to why each channel was chosen for each example.
- Class discussion – which businesses are they aware of that use multi-channel

distribution? Research well-known brands that use multi-channel distribution and summarise how each channel contributes to convenience, accessibility and customer satisfaction.

- Scenario activity: give students a range of fictional businesses (this could also be done as group work). Students must select the most appropriate distribution method for each, (direct/indirect/choice of intermediates) explaining the reasoning behind their choices.
- Students read the article on Gymshark ([tutor2u.net/business/blog/place-in-the-marketing-mix-gymshark-opens-a-flagship-store](https://www.tutor2u.net/business/blog/place-in-the-marketing-mix-gymshark-opens-a-flagship-store)) which is mostly direct to consumers. Debate – should Gymshark sell through other channels?

- **The importance of marketing**

- On the board, show different examples of how technology has influenced marketing eg digital marketing, social media, dynamic pricing and e-commerce. Students analyse these examples and discuss effectiveness.
- Video showing a misleading campaign or promotions, or a campaign targeting vulnerable groups. Students must guess/discuss why this was considered unethical.
- Divide the class in two and debate – should marketing be ethical? One side prepares an argument to say it should be, the other arguing against.
- Students are given a marketing decision eg launch a new product. Create a mind map to show how this decision could affect operations, HR and finance (eg operations may need to increase capacity, or HR may need to recruit new employees with different skills). Class discussion: Is it important for marketing decisions to align with other departments?

3.2 Managing operations, human resources and finance

3.2.1 Operational performance

3.2.1.1 Operations management

Specification reference

- 3.2.1.1 Operations management

Specification content

- Operations
- Operations processes

Learning outcomes

- **Operations**
Students will be able to understand:
 - Operations objectives, including how to calculate and interpret:
 - total costs
 - unit costs
 - measures of quality (waiting times, delivery times, proportion of returned items, proportion of defects)
 - labour productivity
 - capacity
 - capacity utilisation
 - Other operational objectives:
 - flexibility
 - environmental objectives
 - Potential trade-offs between operations objectives (e.g. cost vs speed, quality vs flexibility)
 - How operational objectives vary across different industries and contexts
- **Operations processes**
Students will be able to understand:
 - Advantages and disadvantages of job, batch, flow and mass customisation
 - Advantages and disadvantages of labour-intensive and capital-intensive processes
 - How process choice affects costs, flexibility, quality and efficiency

Suggested timing

11 hours

Possible teaching and learning activities

• Operations

- What do students think the role of the operations department is? Class discussion and compare to the marketing department.
- Students identify operations activities in different industries (manufacturing, hospitality, healthcare, retail). Extension: students compare operations priorities in two contrasting businesses (eg Amazon vs a luxury hotel)
- Students to write down 3 objectives they expect the operations department will set – peer assess. Give students a business type – does the objective work in that scenario? If not, why? Get them to rewrite the objective to better suit the type of business.
- Match activity: students match likely operational objectives to different business scenarios (eg hospital, airline).
- Students research real quality scandals (eg Boeing, Toyota recalls) and explain how this impacted the business in question (returns, loss of consumer confidence etc). These could be teacher provided if there is a lack of internet or computer access.
- Class discussion: How could a business improve labour productivity without damaging quality?
- Students calculate ‘what they can’ using a range of data provided – eg capacity, actual customer numbers on different nights, items returned to the kitchen. They calculate what they can, and discuss as a class the correct calculations and interpret these results
- Scenario: students recommend actions for a business operating at 50% or 110% capacity.
- Group debate: “Should a business prioritise cost efficiency or speed of response?” Discussion of trade-offs between different objectives.
- Students research examples of businesses with environmental operations objectives (eg Patagonia). Read the article on Patagonia [theguardian.com/us-news/2022/sep/14/patagonias-billionaire-owner-gives-away-company-to-fight-climate-crisis-yvon-chouinard](https://www.theguardian.com/us-news/2022/sep/14/patagonias-billionaire-owner-gives-away-company-to-fight-climate-crisis-yvon-chouinard) and identify risks associated with Patagonia’s approach to operations (eg higher costs, supply chain disruptions, limited options of suppliers). Class discussion – is this strategy effective?
- Interpretation task. Show operational data on the board for two different businesses eg output, students explain how changes in unit cost affect pricing and competitiveness.

• Operations processes

- Group task: make an item (this could be icing biscuits or made from paper). Each group is given a different method of production (job, batch, flow). What was good and bad about each method? Homework task: students complete a comparison table for job, batch, flow and mass customisation.
- Case study (nike.com/gb/nike-by-you). Students research Nike by You – make a list of how this approach to mass customisation could benefit Nike, as well as any drawbacks.
- Mini whiteboard activity: teacher reads out different industries such as farming, car manufacturing, restaurants. Students write on the board whether they think this industry is likely to be capital or labour intensive. Class discussion of results and why this is the case in different industries.

3.2.1.2 Operations competitiveness

Specification reference

- 3.2.1.2 Operations competitiveness

Specification content

- Capacity
- Efficiency and productivity
- Lean production
- Customer service
- Quality
- The importance of operations management

Learning outcomes

- **Capacity**
Students will be able to understand:
 - Benefits of high and low-capacity utilisation
 - Advantages and disadvantages of making vs buying (outsourcing vs in-house production)
 - Ways of managing supply to match demand:
 - increasing/decreasing output
 - increasing/decreasing inventory
 - outsourcing
 - flexible labour (temporary, part-time, agency, zero-hours)
 - increasing/decreasing capacity
 - Problems caused by failing to match supply with demand
- **Efficiency and productivity**
Students will be able to understand:
 - The importance of efficiency
 - Ways to increase efficiency and associated difficulties
 - The importance of labour productivity
 - Ways to increase labour productivity and associated difficulties
- **Lean production**
Students will be able to understand:
 - Benefits and difficulties of lean production
 - Key lean production methods:
 - Just in Time (JIT)
 - Kaizen
 - Standardised processes
 - Teamwork
- **Customer service**
Students will be able to understand:
 - The value of good customer service
 - Methods of improving customer service:
 - understanding customer needs
 - improving customer experience
 - benchmarking
 - training
 - rewarding loyalty

– monitoring and acting on customer feedback

- **Quality**

Students will be able to understand:

- The meaning and significance of quality
- How to measure quality
- Methods of improving quality:
 - quality control
 - quality assurance
 - total quality management (TQM)
 - quality circles
 - benchmarking
- Benefits and difficulties of improving quality
- Costs of poor quality

- **The importance of operations management**

Students will be able to understand:

- Technological developments in operations (online systems, digital links with suppliers/customers, inventory control)
- Ethical issues in operations (product safety, environmental concerns)
- Environmental issues (pollution, carbon footprint)
- How operations influence competitiveness
- How operational decisions interrelate with other business functions

Suggested timing

13 hours

Possible teaching and learning activities

- **Capacity**

- Teacher presentation introducing the idea of capacity. Give students different businesses and ask them to list how capacity could be measured e.g. Manchester United, a call centre, a restaurant.
- Capacity utilisation calculation activity:
[tutor2u.net/business/reference/teaching-activity-crispy-capacity-capacity-utilisation?srsId=AfmBOoqBwok0GeFBdYIz3I9zUjf9TywTBFNSVGyJgft3kzW8J8T1s0C](https://www.tutor2u.net/business/reference/teaching-activity-crispy-capacity-capacity-utilisation?srsId=AfmBOoqBwok0GeFBdYIz3I9zUjf9TywTBFNSVGyJgft3kzW8J8T1s0C)
- Group work. Each group is given a different business (hotels, restaurants, cinemas etc.) and data on the business' capacity and actual output. Students work together to first calculate the capacity utilisation (these should be extremes of high and low). Then make a list of pros and cons of the capacity utilisation. Each group should present a solution to the problem their business is facing. Class discussion: Which is worse for long-term competitiveness? Capacity utilisation that is too high or too low?
- Mini-case study activity. Give each student a different case study where a business is facing an issue of unpredictable demand. Students need to analyse problems their business may face, such as stockouts, wasted capacity, lost sales, poor customer experience and then propose solutions for their business.

- **Efficiency and productivity**

- Students watch short video clips or look at images of real workplaces (eg a Japanese sushi kitchen, a German car assembly line, a Kenyan coffee farm). In pairs, students work to identify examples of efficient and inefficient processes in each one. Guidance can be given by encouraging groups to look for wasted movement, bottlenecks, or good examples of workflow design. Each group feeds

back to the class one suggestion for improvement to an example of inefficient processes.

- Students act as consultants for a business which is inefficient (these businesses could be a textile factory in Vietnam, a bakery in Italy, a call centre in the India). Students individually analyse the case study they have been given, identifying inefficiencies, and proposing improvements.
 - Class discussion: students examine barriers to improving efficiency. They could look at them in pairs initially (cost, resistance to change, training needs, cultural factors). As a class, discuss the question: “*Why do some efficiency projects fail even when the ideas are good?*” Students could research one international example (eg resistance to lean production in hospitals in the USA).
 - Lean production: Students identify waste in everyday school processes e.g. moving between lessons and suggest ways the school could become more ‘lean.’
 - Students research Zara and create a presentation to show how just in time has led to its success. Evaluate whether JIT is suitable for different industries.
 - Watch the Toyota video ([youtube.com/watch?v=jgQnAuU0R2c](https://www.youtube.com/watch?v=jgQnAuU0R2c)) to show good examples of Kaizen. Students complete a Kaizen activity identifying small improvements they could have made to their day.
 - Group task: students work in teams to design a standard operating procedure for a simple task such as making a cup of coffee or creating a revision timetable. Feedback to the class and vote for the best one.
 - Students share and analyse examples of excellent and poor customer service they have experienced in the last month. Students could also research trip advisor reviews of local restaurants and hotels to find good and bad examples of customer service.
- **Quality**
 - Students identify quality expectations in different industries – this could be completed as a mind map. What would quality look like in: a hotel, a restaurant, a barber shop etc.
 - Provide students with data for a fictional business on defect rate, returns, complaints and customer satisfaction. In pairs, students annotate the data, identifying positive aspects, negative aspects as well as any questions they have (such as how this compares to other businesses in the industry) and the negative consequences of the poor scores. Extension task: students propose improvements that the business could make to improve quality data.
 - Students complete a comparison table of different methods of ensuring quality such as quality control, quality assurance, total quality management.
 - Assembly line challenge – students can be organised into an assembly line producing something simple out of paper for example a pizza using paper components. Scenario 1: teacher acts as an ‘inspector’ removing completed pizzas that are not up to the quality standard. Scenario 2: teacher trains students to look out for quality themselves. Discussion: which is the best method and why?
- **The importance of operations management**
 - Students research how technology has transformed a chosen industry. The supermarket industry has changed dramatically through the introduction of technology. In group, students research the different ways technology has impacted the operations department of supermarkets (they can be given prompts such as supply chain management, restocking etc.)
 - Working in pairs, students are given a business known for generating a high level of waste, pollution or a high carbon footprint. Students write a letter to the business encouraging the business to alter its actions including reasons why the business

- should change and suggestions as to how it could.
- Case study: give students a case study about a business that has achieved a competitive advantage in many ways, including its marketing, staffing etc. Students highlight areas of the case study that show how the business gained competitive advantage through operations only.
- Students are given an operational decision, such as reduce capacity to increase unit costs. Create a mind map to show how this operational decision could affect finance, HR and marketing.

3.2.1.2 Inventory and supply chain management

Specification reference

- 3.2.1.2 Inventory and supply chain management

Specification content

- Inventory
- Supply chain management

Learning outcomes

- **Inventory**

Students will be able to understand:

- Reasons for holding inventory
- Influences on the amount of inventory held
- How to amend, complete and interpret inventory control charts, including:
 - lead time
 - re-order quantities
 - re-order levels
 - buffer stock.
- Differences between Just in Time (JIT) and Just in Case (JIC) inventory approaches
- The value of effective inventory control for efficiency, cost reduction and customer satisfaction

- **Supply chain management**

Students will be able to understand:

- The purpose and value of managing the supply chain
- The importance of supplier relationships and logistics (inbound and outbound)
- Influences on sourcing supplies, including number and choice of suppliers
- The impact of supply chain issues on business performance
- The purpose and value of supply chain transparency and third-party accreditations

Suggested timing

9 hours

Possible teaching and learning activities

- **Inventory**

- Give each student a different business. Students write down as many examples of inventory for the different businesses they have been given (hotel, school, clothing manufacturer, supermarket, bakery etc.). Share these as a class and then discuss the question: “what would be the impact of your business holding too much or too little inventory?”
- Case study: students recommend appropriate inventory levels for different businesses (e.g. bakery vs electronics retailer). They must justify why they have suggested a higher or lower stock level.
- Redacted charts: give students an inventory control chart with the labels removed. Students practise identifying: lead time, re-order level, re-order quantity, buffer stock. The chart should show at least one time where the business runs out of stock. Extension: students explain how poor inventory control affects operations.
- Case study: students analyse how poor inventory control caused Nike to lose \$100 million in 2000 (supplychainnuggets.com/lessons-from-nikes-100m-inventory-glitch-in-2000/)

- **Supply chain management**

- Students map the supply chain of a familiar product (e.g. chocolate bar, smartphone) using whiteboard. Draw what they think the supply chain will look like, including all intermediaries. Students annotate their supply chain to suggest how/why this improves reliability, cost efficiency and ensures customer satisfaction.
- Case study: students analyse how Amazon uses supply chain management to gain competitive advantage (youtube.com/watch?v=HxXJ8Q2GCs4).
- Students analyse real examples of supply chain disruptions (eg shipping delays, shortages, strikes) ebea.org.uk/archive/the-great-kfc-chicken-shortage-2018

Students research third-party accreditations (eg Fairtrade, FSC, ISO standards). Group task: evaluate how transparency improves trust and reduces risk using examples of one of the accreditations.

3.2.2 Human resources

3.2.2.1 Human resource objectives

Specification reference

- 3.2.2.1 Human resource objectives

Specification content

- Human resource objectives and planning

Learning outcomes

- **Human resource objectives and planning**
Students will be able to understand:
 - Key HR objectives:
 - number and skill level of employees
 - employee engagement
 - employee retention
 - Human resource planning processes: recruitment, training, redeployment, retention, redundancies
 - The purpose and value of HR planning
 - The stages of the recruitment process: job analysis, job description, person specification
 - Advantages and disadvantages of internal vs external recruitment
 - Advantages and disadvantages of selection methods: CVs, application forms, interviews, references, testing, assessment centres
 - Advantages and disadvantages of employment contracts: full-time, part-time, temporary, permanent, zero-hours
 - The value of effective recruitment and selection
 - The value of training: induction, off-the-job, on-the-job

Suggested timing

9 hours

Possible teaching and learning activities

- **Human resource objectives and planning**
 - Match the objectives to the department. Teacher to provide a range of common business different objectives. Students match the objective to the department. This could be completed as an introduction to the HR department. Class discussion around the role of the HR department based on the objectives.
 - Skills gaps: Provide students with the skills gaps facing businesses in your country (for example a shortage of engineers in the UK). Students use this information to propose strategies that the business could undertake to address skill shortages.
 - Group task: give students some HR data for a business showing high labour turnover. Each group should design a retention strategy for a business to attempt to reduce labour turnover. Each group to feed back to the class on their strategy.
 - Students are given a job title that they are likely to be familiar with, for example a barista in a coffee shop. Individually, students create a job description and person specification for this role.
 - Students compare job descriptions from real companies and rank them best to worst. What made a good job description? Students can edit the job descriptions that they feel are less effective to make them better.
 - Group activity: design a selection process for a new role. Students can then create a CV to apply for the role and conduct interviews with each other for the role.
 - Class debate: “Are zero-hours contracts ethical?” Divide the class into two groups. Each group works together to create a case (for or against) before debating with the other group.
 - Activity: students design an induction plan for a new student starting the school.

3.2.2.2 Human resource data

Specification reference

- 3.2.2.2 Human resource data

Specification content

- Human resource data and performance measures

Learning outcomes

- **Human resource data**

Students will be able to understand, calculate and interpret:

- Labour turnover
- Employee retention rates (including % of employees still at the business 1 year after recruitment)
- Labour productivity
- Employee costs as a percentage of turnover
- Labour costs per unit
- Sales per employee
- Profit per employee
- That HR performance measures vary across different industries and contexts
- How HR data supports decision-making in recruitment, training, motivation and workforce planning

Suggested timing

7 hours

Possible teaching and learning activities

- **Human resource data**

- Provide students with a range of HR data but no calculations. These could be displayed on the board at the start of a lesson. Ask students to 'calculate what they can,' for example labour turnover, productivity. Teacher then to provide competitor data for the same calculations. Class discussion: which business is performing better according to the HR data.
- Class discussion: "Why is retention especially important in high-skill industries?"
- Stations with HR data tables showing labour turnover, retention, productivity, labour costs, sales per employee. Students rotate around the stations and answer calculation and interpretation questions based on the information at that station.

3.2.2.3 Organisational design

Specification reference

- 3.2.2.3 Organisational design

Specification content

- Organisational design
- Influences on organisational structure
- Advantages and disadvantages of restructuring and delayering

Learning outcomes

- **Organisational design**
Students will be able to understand:
 - Influences on and impact of decisions regarding:
 - span of control
 - levels of hierarchy
 - tall vs flat structures
 - delegation
 - centralisation and decentralisation
 - employee representation rates
 - Advantages and disadvantages of restructuring, including delayering
 - How organisational design affects communication, motivation, flexibility and decision-making
 - How organisational structure varies across different industries and business sizes

Suggested timing

7 hours

Possible teaching and learning activities

- **Organisational design**
 - Teacher presentation introducing organisational design concepts. Students sketch the organisational structure of a familiar business such as their school
 - Calculate the span of control for managers using images of a hierarchy. Students to analyse the advantages and disadvantages of a wide or narrow span of control.
 - Students fill in a table comparing tall and flat organisational structures, covering: communication, business decision making, flexibility, cost, employee motivation.
 - Case study: teacher to provide students with a case study about a growing business. Individually, students recommend whether the growing business should adopt a taller or flatter structure.
 - Class discussion: “Why do some managers struggle to delegate?”
 - Debate: should McDonalds decentralise? Split the class into two groups (yes and no). Students must prepare an argument to support their view as to whether McDonalds should remain centralised or decentralise decision making.

- Trade Union activity: create a scenario where half of the class are workers (represented by one nominated student as the trade union rep and the other half are the employers. Give sheets to each side to explain their view (employees want higher pay and better conditions, the employer wants to give them as little as possible but needs the workers on side. Run a consultation meeting to try and get the trade union and managers to agree. Follow up questions: why might the use of a trade union be helpful? Extension: students research employee representation in a real business and any examples of strike action etc in the news.
- Students complete a table of advantages of delayering (lower costs, faster decisions) and disadvantages (job losses, resistance to change).
- Students work in groups to redesign the structure of a fictional business facing growth or decline. They present their new structure and justify decisions on hierarchy, delegation and centralisation.

3.2.2.4 Motivation

Specification reference

- 3.2.2.4 Motivation

Specification content

- The benefits of motivated employees
- Theories of motivation
- Financial and non-financial methods of motivation
- Influences on the choice and effectiveness of motivation methods

Learning outcomes

- **The benefits of motivated employees**
Students will be able to understand:
 - How motivation affects productivity, quality, retention, customer service and business performance
 - The link between motivation and employee engagement
- **Theories of motivation**
Students will be able to understand:
 - Taylor's scientific management
 - Maslow's hierarchy of needs (basic, safety, social, esteem, self-actualisation)
 - Herzberg's two-factor theory (hygiene factors and motivators)
 - How each theory explains employee behaviour and workplace performance
 - Strengths and limitations of each theory
- **How to improve employee motivation**
Students will be able to understand:
 - Advantages and disadvantages of financial methods of motivation:
 - wages
 - piece rate pay
 - commission
 - salaries

- performance-related pay
- fringe benefits
- Advantages and disadvantages of non-financial methods of motivation:
 - job enlargement
 - job enrichment
 - job rotation
 - empowerment
 - teamwork
- Influences on choosing motivation methods (cost, culture, job type, employee needs, business objectives)
- How to assess the effectiveness of motivation strategies

Suggested timing

9 hours

Possible teaching and learning activities

- **The benefits of motivated employees**
 - Students to draw and annotate a motivated v demotivated employee. Consider questions such as: what do they look like? How would they act? How would they act?
 - Discussion: “How could you motivate the demotivated employee?” Colour code ideas depending on which motivational theorist would support that idea (Taylor, Mayo, Maslow, Herzberg).
 - Hierarchy of Needs activity. Students given case studies of a range of different businesses with employees at different levels of the hierarchy. Students to annotate a hierarchy to add each business to the level of the hierarchy they believe the employees of this business are likely to be at. Extension: how could each business get their employees to the next level of the hierarchy.
 - Hygiene factor or motivating factor? Teacher to put things on the board such as ‘pay’ and ‘interesting tasks and students use mini white boards to show ‘hygiene factor’ or ‘motivating factor.’
 - Case study: students identify how a business could improve motivation using
- **How to improve employee motivation**
 - Teacher introduces financial methods of motivation such as wages, piece rate, commission, salaries, and fringe benefits. Students use job adverts to highlight examples they can see of financial methods of motivation.
 - Teacher introduced non-financial methods of motivation such as job enlargement, enrichment, rotation, empowerment and teamwork. Matching activity: students are given cards with non-financial methods of motivation on some and job types on others. Students to match the method of motivation with the job type.
 - Case study: students are given different business case studies and data showing a high level of labour turnover and low level of productivity. Students recommend a motivation strategy for the different businesses. Feedback and class discussion – why did each business have a different strategy? Why was each strategy chosen?

3.2.2.5 Employer–employee relations

Specification reference

- 3.2.2.5 Employer–employee relations

Specification content

- Employee involvement
- Employer–employee relations
- Managing human resources

Learning outcomes

- **Employee involvement**
Students will be able to understand:
 - The value of employee involvement in decision-making
 - Advantages and disadvantages of consultation, trade unions and employee forums
 - Influences on the extent and methods of employee involvement (culture, leadership style, legal requirements, business size)
- **Employer–employee relations**
Students will be able to understand:
 - The value of good employer–employee relations
 - Reasons for conflict between employers and employees
 - Actions employees may take during conflict:
 - withdrawing cooperation
 - working to rule
 - leaving
 - striking
 - overtime bans
 - Methods of resolving workplace conflict: participation, bargaining, arbitration
 - How to manage and improve employer–employee relations
- **Managing human resources**
Students will be able to understand:
 - The impact of technological developments on HR (recruitment, skills, remote working, monitoring)
 - The value of effective people management and its impact on competitiveness
 - The interrelationship between HR decisions and other business functions
 - Ethical issues in HR (unsafe working conditions, low pay, exploitation)

Suggested timing

9 hours

Possible teaching and learning activities

- **Employee involvement**
 - Teacher to display a key business decision on the board such as ‘open a new store’ or ‘increase prices.’ Students to suggest why a business may want to involve employees with these decisions / the benefit of having employees input into these decisions.
 - Place signs around the room showing ‘always’ ‘sometimes’ and ‘rarely’ (relating to the involvement of employees). Read out different contexts (for example *rapidly growing start-up, family business, airline, fast food restaurant*). Students move to the point around the room that matches their view (in terms of how much this business is likely to involve employees). They justify their position; others can challenge or persuade them to move.
 - Assign different roles to students (this could be a pair or small group activity). The roles could include HR Director, Operations Director, Finance Director, Employee Representative, CEO (this can be the teacher). Give each student or group a sheet outlining their role and a short brief with their priorities and concerns. Hold a boardroom meeting to debate whether to introduce an employee forum. They must present arguments based on their role. The CEO makes the final decision and justifies why they have elected to introduce the forum (or not).
- **Employer–employee relations**
 - Research task: students use the internet/their own experiences to identify examples of good and poor relations from real businesses. This could be set as a homework task prior to beginning this section.
 - Case study: teacher to provide small case studies which contain different reasons for conflict in a business (these could be real or fictional). Students read the case study and identify the cause of conflict in that business.
 - Students work in teams to create a “Relationship Toolkit” aimed at managers of a business. This could contain suggestions of: communication techniques, training ideas, employee involvement strategies, steps to handle grievances in the business.
- **Managing human resources**
 - Students create a ‘Spotlight Card’ showing on how one real business uses HR technology. These cards could then be copied and shared to other students in the class.
 - Teacher led simulation: The importance of HR. Two fictional competitor businesses are presented (one with strong HR a one with weak HR). Students write an email to the one with weak HR, explaining the potential negative consequences of having a weak HR department and suggest ways it could be improved. Calculate impacts on productivity, innovation and retention.
 - Provide students a case study about Urban Outfitters asking employees to work for free (icslearn.co.uk/blog/human-resources/6-examples-of-hr-gone-wrong/?utm_source=copilot.com). Students to create a mind map of the potential consequences to Urban Outfitters of this unethical approach to HR.

3.2.3 Finance

3.2.3.1 Sources of finance

Specification reference

- 3.2.3.1 Sources of finance

Specification content

- Internal sources of finance
- External sources of finance
- Appropriateness of finance sources in different situations

Learning outcomes

- **Internal sources of finance**
Students will be able to understand:
 - Advantages and disadvantages of:
 - retained profits
 - sale of assets
 - sale and leaseback
 - working capital adjustments
 - When internal finance is appropriate
- **External sources of finance**
Students will be able to understand:
 - Advantages and disadvantages of:
 - trade credit
 - share capital
 - overdraft
 - loans
 - business angels
 - private equity
 - crowdfunding
 - Differences between debt and equity finance
 - When external finance is appropriate (eg start-ups, expansion, cash flow issues)
- **Appropriateness of finance sources**
Students will be able to understand:
 - How business size, risk, purpose, time frame and financial health influence finance choices
 - Which sources are suitable for start-ups, growing firms, established businesses
 - How control, cost and repayment obligations affect decision-making

Suggested timing

9 hours

Possible teaching and learning activities

- **Internal sources of finance**
 - Students given a range of business scenarios in need of finance. Students must identify and justify an appropriate internal source of finance appropriate to the case study. Ensure a mix of case studies, including ones that have assets that are unused.
 - Reinvest or remove? Students are asked to act as business consultants to a profitable marketing company. They need to provide arguments for both reinvesting profits or paying them as dividends to shareholders.
- **External sources of finance**
 - Students are provided with short business scenarios. These must be ranked in terms of how likely the supplier is to offer the business trade credit. Discussion around the choice of positioning in the list. Extension: in pairs/small groups, students create quick industry cards showing where trade credit is essential (eg, retail, construction, hospitality) and explain why.
 - Business Board Meeting. Student are given a case study outlining fictional expansion plans for a business. They must meet as the 'board' and decide whether issuing shares is appropriate. They should be encouraged to discuss issues such as growth potential vs dilution of control.
 - Students receive a set of cards with different scenarios showing cash-flow crises. The cards should be placed into two piles: yes or no (based on whether they would recommend an overdraft or not). On the back of the cards, students could justify their decision.
 - **Dragons Den:** Students work in small groups to come up with a business pitch (they could watch an episode of Dragons Den or Shark Tank before to help them understand the concept). They create a pitch for the business (the rest of the class could act as dragons, deciding whether to invest or not). Dragons should be given score cards, to give different factors a rating out of 5, such as originality of idea, fair business value etc.
 - Students research (using websites such as [crowdcube.com](https://www.crowdcube.com)) real crowdfunding campaigns. Identify three campaigns that have generated a lot of investment and list potential reasons for their success (storytelling, rewards, community engagement). Extension: students could design their own mock campaign including incentives for investing etc.

3.2.3.2 Break-even analysis

Specification reference

- 3.2.3.2 Break-even analysis

Specification content

- Break-even output
- Break-even charts

[oxfordaqa.com](https://www.oxfordaqa.com)

- Costs, revenue, profit
- Contribution and margin of safety

Learning outcomes

- **Break-even analysis**

Students will be able to understand, calculate and interpret:

- Break-even output
- Profit or loss at different output levels
- Fixed costs
- Variable costs
- Total costs
- Revenue (turnover)
- Profit
- Margin of safety
- Contribution per unit
- Total contribution

Students will also be able to:

- Interpret and manipulate break-even charts
- Explain the significance of break-even analysis for decision-making
- Understand limitations of break-even analysis

Suggested timing

9 hours

Possible teaching and learning activities

- **Break-even analysis**

- Students work in pairs. Each pair is given a set of cards each showing actual output, fixed costs, variable costs and selling price for a different business. They use the card to calculate break-even output, margin of safety and expected profit. They can rank the businesses based on the level of risk using their calculations.
- Students act as analysts advising a business on whether to launch a new product. They will be given a case study including the fixed and variable costs of the business, price, expected demand and competitor information. Students will work together to calculate break-even, margin of safety and profit at several output levels (high sales, medium sales, low sales). Extension: students could write a recommendation on whether the product should launch, supported by numerical evidence and any other qualitative information.
- Business simulation: [tutor2u.net/business/reference/breaking-point-simulation-for-aqa-a-level-business-2026](https://www.tutor2u.net/business/reference/breaking-point-simulation-for-aqa-a-level-business-2026). Students take on the role of Mel Ted-Cheez, a gourmet toastie trader. Over 6 market days, they must choose their selling price and ingredient quality (variable costs) to exceed the break-even output in different trading locations.

3.2.3.3 Profit and cash

Specification reference

- 3.2.3.3 Profit and cash

Specification content

- Profit
- Budgeting
- Cash flow forecasts

Learning outcomes

- **Profit**
Students will be able to understand:
 - The meaning and significance of profit
 - The distinction between:
 - gross profit
 - operating profit
 - net profit
 - gross, operating and net profit margins
 - How to calculate:
 - gross profit
 - operating profit
 - net profit
 - gross, operating and net profit margins
 - The difference between profit and cash
 - The difference between profit and profitability
 - Advantages and challenges of methods to improve profit and profitability
- **Budgeting**
Students will be able to understand:
 - How to amend and interpret budget statements
 - How to calculate and interpret adverse and favourable variances
 - The value of variance analysis
 - The value and purpose of budgeting
- **Cash flow forecasts**
Students will be able to understand:
 - The importance of cash
 - The meaning, purpose and value of cash flow forecasts
 - How to amend, complete and analyse cash flow statements and forecasts, including opening and closing balances
 - How to analyse timings of cash inflows and outflows, including:
 - payables
 - receivables
 - payables days
 - receivables days
 - Advantages and disadvantages of methods to improve cash flow:
 - debt factoring

- shortening customer payment time
- early payment incentives
- credit checks
- increasing payment time to suppliers
- reducing outgoings
- better invoice management

Suggested timing

11 hours

Possible teaching and learning activities

- **Profit**
 - Students receive profiles for different businesses containing partial financial data (revenue, cost of sales, expenses, cash in bank). They should calculate gross, operating and net profit and all three margins, then use the profile and calculations to share whether the business has a profit or cash problem.
 - In groups, students will run a fictional business. They need to choose actions for the business to make it successful, such as raising prices, reducing costs or increasing marketing. After each decision is made, students recalculate profits and margins, stating whether profitability improved or not. Extension: students can evaluate the advantages and drawbacks of the method.
- **Budgeting**
 - Teacher provides students with partially completed budget statements. Students fill in the blanks. They can then identify any areas of overspending, underspending and potential issues these could cause. Attention should be paid to large differences/variances.
 - Students are given a fictional business facing decisions (eg hiring new staff, launching a promotional campaign, buying new equipment). They must use a simple budget to plan actions, predict outcomes and justify decisions, showing how budgeting guides forward planning and keeps spending under control.
- **Cash flow forecasts**
 - Set up stations around the room. Students walk around each station identifying the cause of the cash flow problem in each case. Include scenarios showing cash shortages, late customer payments, supplier issues or unexpected expenses. Extension: students can suggest ways to improve the cash flow of the business.
 - Students complete a partially completed cash flow forecast (calculating missing opening/closing balances etc. Students could then propose practical solutions for any months with a negative closing balance.
 - Business simulation: students play a number of rounds helping a fictional business to manage its cash flow ([tutor2u.net/business/reference/mack-oroons-bakery-business-simulation-for-aqa-a-level-business-2026-2](https://www.tutor2u.net/business/reference/mack-oroons-bakery-business-simulation-for-aqa-a-level-business-2026-2)).