



**FOLLOWING THE CCEA  
GCSE SPECIFICATION  
Business Studies  
STUDENT CONDENSED  
THEORY REVISION BOOKLET**



**Student Name:** \_\_\_\_\_

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# UNIT 1 ENTREPRENEURS

## What is an entrepreneur?

An **entrepreneur** is someone who identifies a need in the market and takes the initiative to organise a business venture to solve a problem. A well known example of an entrepreneur is someone who has their own business. **Enterprise** is where the entrepreneur uses other business resources to make a product or service profitable.

## What are the key reasons why someone might want to start their own business?

There are a number of reasons why individuals set up their own business. Examples include: to pursue a passion, to generate income, to reduce commute to work, they are unhappy in their current job, they need a new challenge, they have identified a gap in the market, they need a new challenge, they want to be their own boss, to control their own destiny, to have flexible working hours, to have an opportunity to be creative, to be independent, to make a difference, to network with others, to fulfil a dream.

## What are the key characteristics of an entrepreneur?

Being prepared to take **Risks** is part and parcel of setting up a business. Many entrepreneurs give up a monthly salary and put their entire career at risk to pursue a business venture. Entrepreneurs are **innovators** because they must constantly come up with new ideas and products, foresee problems and create solutions as issues arise. Entrepreneurs are **decision makers** as they will have to make decisions on a daily basis. A great deal of **determination** is required by entrepreneurs to make the business a success. Success generally doesn't come overnight and they are likely to experience many failures along the way. Entrepreneurs are generally very **persuasive** people. They have to be able to persuade customers to buy their product and/or



service and to get staff on board. **Leadership skills** are necessary for an entrepreneur to get employees on board as the business is reliant on their contributions to achieve success. Effective **planning** is required prior to the launch of a new business and to get things done when the business launches.

## Why does the government encourage entrepreneurship and have a key interest in enterprise?

There are many reasons why the government encourages entrepreneurship. Examples include: upward trend in self employment, freelancers contribute to the UK economy, entrepreneurship reduces unemployment statistics, freelancers have a widespread presence across all occupations, evidence suggests that self employment has played a major part in the UK economy recovery; small businesses may expand and begin to employ others.

## What help is available for new and developing businesses in Northern Ireland?

Grants, Vouchers, Skills and Training Programmes; Regional Start Initiative, The Enterprise Programme, Enterprise Northern Ireland, Invest NI, Princes Trust (Under 30's).

## What is the nature and rewards of risk taking?

Examples of the **risks** involved in owning a business include: No guarantee of a regular pay cheque; no employment benefits such as sick pay, pension and annual leave entitlements; unexpected costs, debt; potential business failure. Examples of **rewards** of owning a business include: intrinsic motivation i.e. doing something you enjoy, can be your own boss, be in control of your own destiny and flexibility of working hours.

## BUSINESS RESOURCES

**What are the key resources a business requires?**

The four key business resources include land, labour, capital and enterprise.



**Land** is an economic resource which includes **renewable** and **non-renewable** resources used by the business. Renewable resources are replenished naturally over short periods of time. Renewable resource examples include: water, air, wind power, food crops, trees, animals. Renewable contribute in some way to making the product and/or delivering a service. Non-renewable resources cannot be readily replaced by natural means and are finite. Non-renewable resource examples include fossil fuels, oil, gas and coal and are generally used to power production. Land also includes the actual physical land where the business premises are situated.

**Labour** is essentially to do with the workforce and employees' skills, experience and qualities. It is the combined physical and intellect that are necessary for the business to carry out its operations.

A **Capital** Resource is an asset used to create a product or provide a service. A capital resource is usually man-made and includes buildings, machinery, equipment and finance. The 2 main types of capital resources can be referred to as Fixed and Working Capital. **Fixed Capital** tends to include resources that are durable, therefore last for a long period of time. Fixed Capital examples include: Buildings, Electronic equipment, factory machinery. **Working Capital** (in the non-financial sense) will include items that are available in the short term, for example, stock.

**Enterprise** is where the entrepreneur uses other business resources to make a product or service profitable. To be successful, the entrepreneur will require the correct amount and may need to adapt business resources to grow.

## STUDENT CHECKPOINT

**Tip: Cover over the last two sections**

### Entrepreneurship

- (1) What is an entrepreneur?
- (2) Describe 3 reasons why a business starts
- (3) Describe 3 characteristics of an entrepreneur
- (4) Describe 2 reasons why the government encourages entrepreneurship
- (5) Describe 2 key risks to entrepreneurship
- (6) Describe 2 potential rewards as an entrepreneur

### Business Resources

- (1) The 4 key resources a business requires is \_\_\_\_\_, labour, capital and \_\_\_\_\_
- (2) \_\_\_\_\_ is an economic resource which includes renewable and non-renewable resources. Explain the key difference between the two
- (3) Provide 2 examples of renewable resources that may be used by a business
- (4) Provide 2 examples of non-renewable resources that may be used by a business
- (5) Explain why labour is one of the most important assets to a business (6) Capital assets are used to create a product or provide a service. What are the two key types of capital resources and give one example of each

