

# **Business Masterclass Booklet**

**Activity One: How much do you know?**

Look at the spider diagram below, try to link as many words to the key term found in the middle, can you think beyond the obvious and can you link points together?



**How to use knowledge:**

Look at the two examples below, both show knowledge but which does it better?

***Evaluate the likely difficulties Dyson might face when entering a developed economy such as the US. (12 marks)***

<b>Example 1</b>	<b>Example 2</b>
A developed economy is typically characteristic of a developed country with a relatively high level of economic growth and security  Read more: <a href="https://www.investopedia.com/terms/d/developed-economy.asp#ixzz5OSHM3A00">Developed Economy</a> <a href="https://www.investopedia.com/terms/d/developed-economy.asp#ixzz5OSHM3A00">https://www.investopedia.com/terms/d/developed-economy.asp#ixzz5OSHM3A00</a>	A developed economy is typically economically advanced and with high levels of per capita income with strong markets and levels of competition within the economy. The US is clearly a developed economy and as such Dyson’s desire to enter it may present a number of challenges for the firm

Both are correct, example 2 shows a candidate who knows how best to utilise their knowledge. Example 1 shows an answer a candidate can learn. Why is example 2 more likely to score highly?

Write your answer here

### Activity Two

Choose any of the following questions and write an introduction to an essay that just shows knowledge (like example 2). Keep the answer to a maximum of two sentences.

- *Q1 - To what extent is profit the only objective worth focusing on in PLC organisations?*
- *Q2 - Explain why an increase in inflation could affect demand for any business.*
- *Q3 - Effective recruitment is the biggest influence on a firm's overall performance. To what extent do you agree with that statement?*
- *Q4 - Assess the impact of a firm making large scale redundancies on the key stakeholders of the business.*
- *Q5 - Explain two external influences a business may face on its marketing mix.*

## Part 2: It's all about context! Application, Analysis and Data

Poundland vs John Lewis: Both in retail, both targeting very different audiences.



Dyson vs Boeing: Both in manufacturing, one is privately owned, one publicly owned.



Amazon vs Shell: Two massive companies, one company pays no dividends to shareholders, the other never misses paying the dividend.



NHS vs BT: Two huge UK companies, one is still owned by the government, one now faces constant shareholder pressure.

I could go on; however, the message is clear. EVERY BUSINESS has a different context.

**That means you must offer an answer and understanding which links to THAT chosen business. You will not achieve the grade you want if your answers are generic.**

Look at these three statements, which offers most **context**?

**Activity 1: 'Explain one way in which the recent increase in base interest rates may affect HSBC bank in the UK'**

**Statement 1** *The bank would be affected by an increase in interest rates as they would charge more for the money they have lent to people for credit cards and houses. This would mean more profits for them.*

**Statement 2** *HSBC would see an increase in profits as the rate they charge lending money for would increase. Therefore, customers have to pay back more.*

**Statement 3** *HSBC is a bank and a PLC, they may benefit from a rise in base interest rates from 0.5% to 0.75% in the UK as they are one of the largest banks in the UK with millions of borrowers including UK businesses. HSBC may increase the rate at which they lend money which could lead to an increase in profits, satisfying shareholders. However, banking is a competitive market and HSBC may need to consider its rivals actions in order to meet the needs of customers and shareholders in the long run.*

**Context: The answer is...**

*Statement 3! Yes, it is longer but simply put it has clear **CONTEXT** about HSBC.*

**Context in this answer is:** The name (using this alone does not make context!). The change in interest rate. The recognition of the banks position in the UK. The recognition it is a PLC. The understanding it is in a competitive market.

**Data:** Data will help paint a picture of a business, it will also give you context about the business and help you in forming an answer and supporting your overall judgements. The exam board may give you data and ask you to interpret it. You are not expected to remember Nike profit margin for 2016, 2017, 2018!

**Case Study: Sports Nutrition** 🏋️‍♂️

*The Sports nutrition market in the UK is growing rapidly. And it isn't just the men who are drinking the shakes, women are getting involved as well. Firms such as MyProtein, Maximuscle, BPI Sports and PHD are seeing every increasing demand and sales. However, there remains doubts around the quality of ingredients with 7/10 users questioning this and nearly 50% unsure if more protein is needed in a diet.*

## UK Sports Nutrition Market value

<i>2017</i>	<i>2016</i>	<i>2015</i>
£800m	£430m	£265m

## UK Revenue figures (firms and figures fictionalised for the purpose of this activity)

<i>Firm</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
ProProtein	£212m	£98m	£75m
B.I.G. nutrition	£87m	£80m	£65m
Health&Wealth Sportz	£145m	£95m	£140m

## UK Net Profit figures (firms and figures fictionalised for the purpose of this activity)

<i>Firm</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
ProProtein	£45m	£28m	£12m
B.I.G. nutrition	£29m	£18m	£17m
Health&Wealth Sportz	£12m	£2m	£4m

**Activity 2: Using the data provided above build a case for whether or not an entrepreneur should start a new business in the Sports nutrition market within the UK**

## Part 3: Construction: planning and writing those essays including extended answers

Regardless of the specification you are studying for Business A Level there is an expectation for you to deliver extended answers to 8/10/12/18/20-mark questions. At first this seems daunting. That is because you don't have a plan.

### GET A PLAN!

There are a number of techniques and approaches which will help support your construction of answers. In this lesson you are going to explore these approaches and give you some structures and techniques to help in writing high quality essays.



*NOTE: I did not mention length of writing. Often students try to write more to score more points. This doesn't really work.*

**Quality of point not Quantity of words is key.**

## Activity One: Command words

Every exam question will contain command words. These will vary across the exam boards. Your first activity is to find four command words used by your exam board. What they are asking you to do. The number of marks most commonly associated to them. For reference you should use the following links:

- 1) Exam board command words/tutor2u/last year's exam paper.
- 2) Ask for your teachers' guidance.

Command Word	Meaning	Marks Associated

### Structuring the essay



#### *Before you write your essay!*

Do the following before you write the essay:

- 1) Identify the command word in the question, identify what the question is really asking you. Does the question require evaluation? (Some of the smaller 6/8 mark questions may not).
- 2) Identify the context of the question (type of business and industry for example).
- 3) Look through any case study or data, are there clues?
- 4) Plan your essay.

#### *Writing the essay*

There are variable approaches to writing essays across the exam board. Most of the longer questions expect a balanced argument and judgement.

Typically, I might recommend for a 20/25 mark essay something like this:

*Start with knowledge/definitions and an opening judgement linked to the question, offer two or three **significant arguments with counter balanced points (points in favour and points countering) in context** of this business, show judgement at the end linked to the question set.*

It is NOT about how many points you can write. It is about the depth of those points made.  
You may end up with an essay of TWO large paragraphs containing points in favour and against and one final paragraph for the evaluation. THIS IS GOOD!!

## Activity Two

Tutor2u offer an approach to structuring essays that may work well for you. Your next activity is to watch the video, summarise the main points and feedback to your teacher your findings (somewhere between 5–10 points would be enough!). **Once you have watched the videos maybe try Activity One again...**

- 1) Planning your essays: <https://www.tutor2u.net/business/reference/aqa-a-level-paper1-25-mark-essays-planning-the-essay>
- 2) PeCan Pie Paragraphs: <https://www.tutor2u.net/business/reference/effective-paragraph-technique-pecan-pie>

Video One summary points	Video Two summary points

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## Part Four: Finish with a flourish: making informed judgements based on your arguments and evidence

Throughout your course you will often be asked 'what is your opinion?'

**Activity: Think about where your opinions come from, write the answers in the box below:**

Now you might have written

*'My knowledge, what I have read/seen/heard, social media, my mum/dad/best mate/uncle Jim/Smart Lucy once told me, etc. etc.'*

The key is, your opinion should come from a variety of sources, it is your final judgement based on everything you know. It is not stating exactly what someone else said. It is not writing a summary of points. It is stepping back, looking at the big picture and making an overall judgement. The same is true of your essays.

**Step back, look at the evidence, consider the context, think about short term/long term, form an opinion and make the judgement answering the question.**



## Activity One

Two great videos here from Tutor2u on finishing an essay using a technique. Watch both videos and create your own, one page, document containing the information you need. You might add this to the booklet/notes you keep in your folder. Use it as a reference.

AJiM approach: <https://www.tutor2u.net/business/blog/buss4-essay-technique-the-ajim-conclusion>

The essay conclusion: <https://www.tutor2u.net/business/reference/aqa-a-level-paper-1-25-mark-essays-the-essay-conclusion>

## Activity Two: spotting evaluation and can it be improved?

**Where in the following statement can you see evaluation? Could you improve this piece of work?**

**The question is:** Following his appointment as Tesco CEO in 2014, Dave Lewis oversaw a number of changes within the company. To what extent do you think improved employee engagement was the most important factor in achieving the financial success Tesco now enjoy in 2018? (20 marks)

**The final judgement is written as:**

*Financial success was essential for Dave Lewis to achieve, the shareholders of Tesco almost demanded it. Dave Lewis himself as a leader may have been the key part of the financial success Tesco now enjoy, without his strategy and vision, employee engagement alone may not have led to financial success. However, it must be considered the change in the market conditions such as the improvement in the UK economy during this time period, perhaps rivals such as Asda failed to compete as they once did, and the perceived threat of low cost supermarkets was met with clever marketing from Tesco and price cutting/cost saving strategies. All of these factors would have needed clear leadership and employee engagement therefore, I do believe employees were key to the financial success of Tesco and will remain so for the long run, however I do not believe they were the single most important factor.*