

BTEC Y11-Y12 Summer Transition pack for BTEC Business 2020



NAME:

By completing these activities as part of your Summer Learning, you will gain:

- a realistic expectation of the Business Studies at BTEC Business
- an appreciation of the fact that there will be lots of new content, even if you have studied BTEC Business Studies.
- an ability to contribute in class with real world examples
- an inquisitive mind
- an increased ability to hit the ground running at the start of the academic year.

Please make sure that you complete all of the tasks and that you do it on Teams or Word if possible as you will be able to use the work to give you a headstart to the year.

Types of privately-owned businesses (Private sector)

You will need to watch this video on Youtube first before doing this

https://www.youtube.com/watch?v=BN2cQNNvg_4

- **Sole Trader** – the smallest type of business. It is owned by one person although they may employ someone to help them. They are responsible for every area of the business and they keep all the profit they have earned after they have paid tax.
- **Partnership** – if a sole trader wants to grow their business, they may choose to take on a partner. This means the business is owned by 2 or more people and they are all responsible for running the business

See if you can complete the table below - pay particular attention to the way you describe the benefits and the drawbacks of each section.

Type of Business ownership	Definition	Advantages	Disadvantages
Sole Trader			
Partnership			

1. Give some business examples of a sole trader

2. Give some business examples of a Partnership

Sole traders and some Partnerships have something called **Unlimited Liability**. This means that if their business loses money, they may have to sell their belongings such as their house, car etc to pay their debts. The law sees the owner of the business and the business itself as the same thing.

1. Discuss the limitations of being a business with Unlimited Liability

There are several reasons to become a privately-owned business UK despite the risks. Two examples below.



<https://www.arnoldclark.com/about-us/history.html>

1. How have Arnold Clark become so successful over time?



KURT GEIGER
LONDON



<https://www.kurtgeiger.com/company/our-history>
<https://www.independent.co.uk/news/business/analysis-and-features/kurt-geiger-ndash-a-shining-example-of-a-sole-trader-2191860.html>

1. How have Kurt Geiger become so successful over time?

Private Limited Company – often shown as **Ltd**. Rather than just having one or two owners who run the business between them, there are more owners (often friends or family) who invest their money and each of these are called shareholders. If the business does well they get a share of the profit in the form of a **dividend**. Often the shareholders are the directors of a business and help run the company.

A Ltd company has **limited liability** which means that if the business is in debt, the shareholders will only lose the money they have invested, not their personal belongings.

Type of Business ownership	Definition	Advantages	Disadvantages
Private Limited Company			
Public Limited Company			

1. Give some business examples of a Private Limited Company (Ltd)

Read the website of Marcus Transport in Bradford the main reasons they have been successful

<http://www.marcus-transport.co.uk/>



Public Limited Company – also known as a **plc** and is the largest type of private business. The shares in the company can be bought on the stock exchange by anyone which is why it's called a **public** limited company. The business can raise more money by selling more shares to the public and increasing the number of shareholders it has. A plc also has **limited liability**, the shareholders can only lose the money they have paid for shares if the business gets into trouble

Give some business examples of a Public Limited Company (PLC?)

Read the articles on Tesco and discuss the main reasons they have been successful PLC



Business Liability

To protect the business against the risk of being sued or held legally responsible, anyone owning or running a business should insure against such liability. There are multiple insurance companies offering such cover and, as with any insurance (for example, car or house insurance), they offer it at different rates and with different terms and conditions. Insurance for liability includes Public Liability Insurance and Directors' and Officers' Insurance (D & O). Depending on the ownership, size and type of business, the cover will also vary.

- Define and explain what each of the key terms are below, ensure you have included an example

Type of Liability	Definition and what it means
Limited Liability	
Unlimited Liability	

Franchises

A less risky way for a successful business to grow is to use franchising. The successful company (franchisor) gives a license to someone (franchisee) to set up their own branch of the company.

The franchisor receives payment for the license and a percentage of **profits**, the franchisee gets their own branch, the remaining profits and support from the large company.

Type of Business ownership	Definition	Advantages	Disadvantages
Franchisee			
Franchisor			

Investigate how successful one of the franchisors has been below...

Why do you think they have been successful?



I think McDonalds have been successful because....

Worker Co-operatives /Co-operatives

in this case the business is owned by the **people who work for it** and they have **limited liability**. To become a member of a cooperative you need to work for the company and buy a share in the business. Those who have shares have the right to vote on decisions that are

made so that no one person has total control of the business. Members receive a **share of the profits** in dividends (just like Plc shareholders) so the idea is that if you own part of the business you'll work harder for it.



<https://www.co-operative.coop/about-us/what-is-a-coop>

Why is Co-op a Co-operative?

Research and list any other Co-operatives

Not for profit

Did you know that not every company has a primary goal of making as much profit as possible? It's true! They're called non-profits. Sometimes they're called not-for-profit organisations.

You ask why a Business would set up and not want to make any money? Well, not for profit companies don't have a goal of not making money. Non-profits often make money, but what they do with the money which separates them from profit making organisations.

Not for profit organisations are usually set up for a core mission which has a benefit to the wider society, for example a charity or non-charitable housing associations. The earnings which are made within non- profit organisations, are reinvented back into seeking to support the mission and help the organisation grow. These profits will not be used to give back to investors.



Voluntary organisations are also not for profit but exist for good causes, they have staff but they work for free.

Charitable Trusts – a charity is an example of an organisation that is set up to raise funds and support people or good causes. They aim to create a surplus of money (they have more donations than they spend on running the charity) so they can spend this money on the good cause. They can only spend the money that they have raised, therefore they should not get into debt like some private businesses can. The running of a charity is monitored and run by a group of trustees, no one owns a charity. The trustees are people who have a good reputation, relevant skills and experience and volunteer to ensure the charity is running properly. Charities have to be registered (just like other businesses) with the Charities Commission and publish annual accounts (just like Plcs).

Type of Business ownership	Definition	Advantages	Disadvantages
Charity			

Industrial Sectors

There are four main types of sectors Primary, Secondary, Tertiary and Quaternary

Sector	Definition	Features	Examples of Business in this sector
Primary Sector			
Secondary Sector			
Tertiary Sector			
Quaternary Sector			

Investigate the stakeholders and their influences using the two business examples provided.



Aims and objectives

Aims of businesses in different sectors. The same applies to businesses needing to plan out their aims and objectives to strive for success. These are built around three key areas:

- mission (a promise of commitment to the business cause)
- vision (the direction the business aims to travel in the future, short or longer term)
- values (the philosophy and ethos of a business which underpin the vision).

The relationship between corporate aims, the mission statement, corporate objectives and corporate strategies



Mission

You may have heard or seen the mission statement of the place where you are studying.

Mission statements are often found at the front of any

marketing materials and websites. While a mission statement is intended to represent the overall aim of the business, it should be informed by the vision and values of the business.

Vision

A vision statement is easily confused with a mission statement. Its aim is to clearly communicate the future plans for the business, particularly to its employees. They can become involved in the plans for the business and their jobs and organisation structure will need to support this vision.

Values

Organisational values will vary across businesses depending on their overall aim. Businesses

such as Sainsbury plc promote their eagerness for growth, while Coca-Cola are keen to promote their commitment to a sustainable environment. British Gas also promote their commitment to the environment.

Research how Tesco use their mission, aims and objectives



Business Objectives

An objective is a **quantifiable** (measurable) statement of a business's goals. Something the business wants to **achieve**.

Discuss the objectives of Tesco – which are here – Why would have and why they would have these?

Discuss how these objectives can lead to the company being successful in the short and long term?

How do the aims and objectives of the Cancer Research Influence the decisions they make?

Organisational Structures

You need to watch this first on Organisational Structures and then complete the table below

<https://www.youtube.com/watch?v=LCAAivdxVTU>

Sector	Definition	Advantages	Disadvantages
Flat			
Hierarchical			
Matrix			

