Revision Notes: GCSE Business Studies (Unit 1)

- **Niche Market**: Part of market with customers that have a particular need.
- **Sole traders**: Business owned by a single person. Unlimited liability (if business flops they must sell everything to pay debts).
- **Partnerships**: Are two or more sole traders. ● Unlimited or limited liability ● Legally responsible for partners
- **Private Limited Comps**: Often small business with LIMITED LIABILITY (risk of only losing what was invested) ● Expensive coz of legal paperwork ● Must publish accounts yearly.
- **Franchise**: The right to sell another firm's products or services. Advantage: Less risk of failing. Disadvantage: Limited freedom.
- **Stakeholder**: Someone affected by a business.
  - **Internal Stakeholder**: Someone inside firm (owner)
  - **External Stakeholder**: Someone outside firm (customer)

**Business Plan:**
- **Personal details** (e.g. CV).
- **Objectives**: Specific Aims.
- **Product description**: Details of market competitors ● How product differentiation achieved by USP.
- **Staffing description** (e.g. job description, wages).
- **Finance**: Money to start up.

**Location (LO):**
- LO of raw materials.
- Labour supply ● Low wages in unemployment areas.
- Transport
- Economies of concentration ● Similar businesses nearby ● Easy to find labour
- Communication Links ● Internet/ post
- Location of Market ● Locate near customers.

**Marketing Mix (4 P's):**
- **Product**: Desirable
- **Price**: Value
- **Promotion**: Make customers aware
- **Place**: Sold in a convenient place

**Marketing Strategy**: Goal of increasing sales and achieving sustained competitive advantage.

**Marketing Map (Find gap in the market):** For coffee
- **Price**: Upwards Line
- **Quality**: Sideward quality

**Demand**: Quantity of product consumers are willing to and able to buy.

**Supply**: Quantity of product consumers are willing to and make for a sale.

**Costs:**
- **Direct + Indirect = Total Costs**
  - **Direct Costs**: Cost associated to making the product.
  - **Indirect Costs (Overheads)**: Running costs (e.g. bills).
  - **Fixed Costs**: Mostly indirects (paid if nothing is produced).
  - **Variable Costs**: Mostly directs (increases due to expansion).

**Cash Flow**: The money that goes in and out of the business.
- **Cash inflow**: Sales
- **Cash outflow**: Buys

**Net-cash flow**: difference between cash inflow and outflow.

**Cash flow forecast**: Help predicts how much money will be needed in the future.