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 fails 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 cost 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 customer

Marketing Mix (4 P’s):

→ Product • Desire?
→ 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: Upward 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.

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.