**Unit 1 Business activity – revision sheet**

**1.1 The role of business enterprise and entrepreneurship**

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| **Content** |
| The purpose of business activity and enterprise - Spotting an opportunity, developing an idea for a business, satisfying the needs of customers |
| Characteristics of an entrepreneur - Creativity, risk taking, determination, confidence |
| The concept of risk and reward – what could be lost, what could be gained |

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| **Key terms** |
| Entrepreneur |
| Spotting an opportunity |
| Enterprising characteristics |

**1.2 Business planning**

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| **Content** |
| The purpose of planning business activity – reducing risk, helping a business to succeed |
| The role, importance and usefulness of a business plan – Identifying markets, help obtaining finance, identifying resources that a business needs to operate, achieving business aims and objectives |

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| **Key terms** |
| Business plan |
| Finance |
| Success |
| Markets |
| Resources |
| Operate |
| Aims and objectives |

**1.3 Business ownership**

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| **Content** |
| The features of different types of business ownership – Sole traders, partnerships, LTDs and PLCs |
| The concept of limited liability – what are each type of owners responsible for |
| The suitability of differing types of ownership in different business contexts – Start-ups and established businesses |

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| **Key terms** | |
| Limited liability | Deed of partnership |
| Unlimited liability | Capital |
| Sole trader | Sleeping partner |
| Partnership | Limited liability partnership |
| Private limited company | Shareholders |
| Public limited company | Dividends |

**1.4 Business aims and objectives**

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| **Content** |
| The aims and objectives of a business – survival, profit, growth, providing a service, market share |
| How and why objective might change as a business evolves – changing with the growth of a business and the external environment |
| Why different businesses have different objectives – considering the objectives in the context of a specific business |

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| **Key terms** |
| Satisficing |
| Market share |
| Business objectives |
| Profit |
| Survival |
| Growth |
| Providing a service |
| Business aim |

**1.5 Stakeholders in business**

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| **Content** |
| The roles and objective of internal and external stakeholder groups – owners, employees, suppliers, government, local community |
| The effects business has on stakeholders – in context for a given stakeholder group |
| The effect stakeholders have on a business - in context for a given stakeholder group |

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| **Key terms** |
| Stakeholder |
| Internal stakeholder |
| External stakeholder |
| Stakeholder group |

**1.6 Business growth**

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| **Content** |
| Organic growth – increasing output, gaining new customers, developing new products, increasing market share |
| External growth – mergers and takeovers (including horizontal, vertical, diversification) |

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| **Key terms** |
| Organic growth |
| Merger |
| External growth |
| Takeover |
| Horizontal growth |
| Backwards vertical growth |
| Forwards vertical growth |
| Diversification |