HOLIDAY HOMEWORK 假期作业

AS-Level Business

Exercise sheets and past-paper practice, topic by topic.
每个单元：练习卷 + 历年真题。

For class or self-study • no answer keys included.

Contents 目录

1 Why businesses exist – Part 1

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
business	企业			
goods	商品			
services	服务			
need	需要			
want	欲望			
factors of production	生产要素			
land	土地			
labour	劳动力			
capital	资本			
enterprise	创业精神			
entrepreneur	企业家			
risk	风险			
scarce	稀缺			
Adding value	增值			
branding	品牌			

English	中文	Write it 3 times (English)		
sector	产业			
primary sector	第一产业			
raw materials	原材料			
secondary sector	第二产业			
tertiary sector	第三产业			
quaternary sector	第四产业			

Recall

You have bought things all your life. Bring this with you:

- A **business** 企业 makes things and sells them to people.
- You use **goods** 商品 (things you can touch) and **services** 服务 (useful actions) every day.
- Money is limited, so people choose carefully what to buy.

At AS we look more closely at what a business uses to produce, and how it makes a profit.

New ideas

1 Needs, wants, and what a business does

- A **need** 需要 is something you must have to live — food, water, shelter.
- A **want** 欲望 is something you would like but can live without — a phone, a holiday.

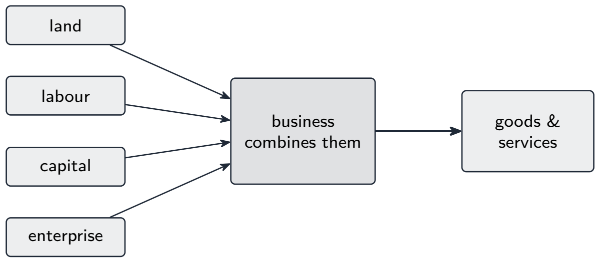
A business meets these needs and wants by making goods and services and selling them.

Micro-check. Is a warm coat a need or a want? [1]

2 The factors of production

To make anything, a business combines four **factors of production** 生产要素:

- **land** 土地 — natural resources such as soil, water and minerals;
- **labour** 劳动力 — the work done by people;
- **capital** 资本 — the machines, tools and buildings used to produce;
- **enterprise** 创业精神 — the skill of the **entrepreneur** 企业家, who brings the other three together and takes the **risk** 风险.



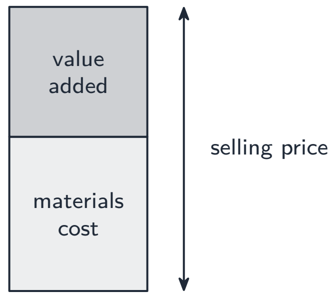
These resources are **scarce** 稀缺 — there are never enough for all our wants — so a business must use them carefully.

Micro-check. Which factor of production is a delivery van? [1]

3 Adding value

Adding value 增值 means selling a product for **more** than the cost of the materials bought to make it:

$$\text{value added} = \text{selling price} - \text{cost of bought-in materials}.$$



A firm can add value by **branding** 品牌, better quality, good design, or fast service.

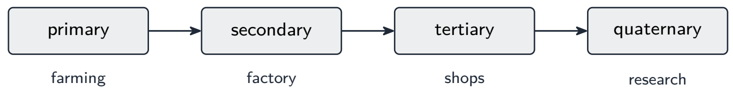
Worked example. A baker buys flour and other materials for \$0.40 and sells a loaf for \$1.50. The value added is $\$1.50 - \$0.40 = \$1.10$.

Micro-check. A maker buys parts for \$8 and sells the product for \$20. Find the value added. [1]

4 Sectors of business activity

Every business works in one **sector** 产业:

- **primary sector** 第一产业 — takes **raw materials** 原材料 from nature (farming, mining, fishing);
- **secondary sector** 第二产业 — makes (manufactures) goods (a car factory, a baker);
- **tertiary sector** 第三产业 — provides services (shops, banks, transport);
- **quaternary sector** 第四产业 — knowledge and information services (research, IT).



As a country develops, it usually moves from mostly primary work towards more tertiary and quaternary work.

Micro-check. Which sector is a hairdresser in? [1]

> **Watch out:** the entrepreneur provides *enterprise* (and takes the risk) — that is a separate factor from *labour*. And "value added" subtracts only the *bought-in materials*, not all the other costs (so it is not the same as profit).

Practice

1.1 State whether each is a **need** or a **want**: (a) clean water, (b) a games console. [2]

1.2 Name the **four** factors of production. [4]

1.3 State which factor of production each is: (a) a factory worker, (b) a coal deposit, (c) an oven. [3]

1.4 A shop buys a jacket for $30 and sells it for $75. Find the value added. [2]

1.5 State the sector of business activity for each: (a) a wheat farm, (b) a furniture factory, (c) a bus company. [3]

1.6 Explain why a business must use its resources carefully. [2]

1.7 Challenge. Two cafés each buy the coffee for a cup for $0.30. One sells it for $2, the other for $4 in a smart setting. Explain how the second café adds more value. [2]

1 **(a)** Define the term *public sector*. [2]

(b) Explain **one** benefit to a business of having a business plan. [3]

5 **(a)** Analyse **two** benefits to a business of using a vertical merger for growth. [8]

(b) 'Risk-taking is the most important quality needed by an entrepreneur to be successful in the clothing design industry.'

Evaluate this view. [12]

OR

5 **(a)** Analyse **two** ways business enterprise can help the development of a country. [8]

(b) 'Intrapreneurship is the most important factor that will ensure the success of a computer entertainment business.'

Evaluate this view. [12]

OR

1 **(a)** Define the term *triple bottom line*. [2]

(b) Explain **one** advantage to a business of being a social enterprise. [3]

A-LEVEL BUSINESS • HOLIDAY HOMEWORK 假期作业

1 Why businesses exist – Part 2

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
sole trader	个体经营者			
partnership	合伙企业			
private limited company	私人有限公司			
shares	股份			
shareholders	股东			
public limited company	上市公司			
Liability	责任			
limited liability	有限责任			
unlimited liability	无限责任			
objective	目标			
profit maximisation	利润最大化			
survival	生存			
stakeholder	利益相关者			
internal stakeholders	内部利益相关者			
external stakeholders	外部利益相关者			

English	中文	Write it 3 times (English)		
conflict	冲突			

Recall

In **Part 1** you met needs and wants, the four factors of production (land, labour, capital, enterprise), adding value, and the four sectors of activity. Part 2 looks at how a business is **owned**, what it **aims for**, and **who has an interest** in it.

New ideas

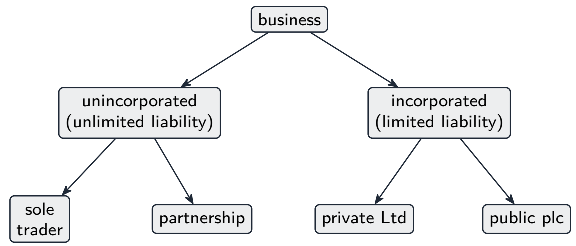
1 Legal structures and liability

A business must choose a legal form:

- a **sole trader** 个体经营者 is owned by one person — easy to set up and keeps all the profit, but finds it hard to raise money;
- a **partnership** 合伙企业 is owned by two or more partners who share the work and profit;
- a **private limited company** 私人有限公司 (Ltd) sells **shares** 股份 to a small group; the owners are **shareholders** 股东;
- a **public limited company** 上市公司 (plc) sells shares to the public, so it can raise a lot of money.

Liability 责任 means who must pay the debts if the business cannot:

- **limited liability** 有限责任 — owners can only lose the money they put in (companies have this);
- **unlimited liability** 无限责任 — owners are responsible for **all** the debts (sole traders and most partnerships have this).

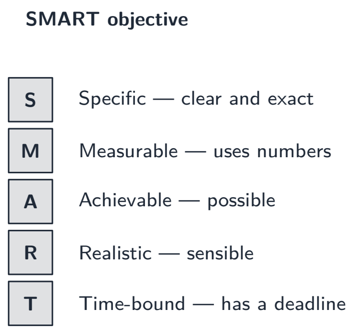


Micro-check. Does a sole trader have limited or unlimited liability? [1]

■ 2 Business objectives

An **objective** 目标 is a target the business aims for. Common ones are **profit maximisation** 利润最大化, growth, **survival** 生存 (vital for a new firm), and market share.

A good objective is **SMART** — Specific, Measurable, Achievable, Realistic and Time-bound.



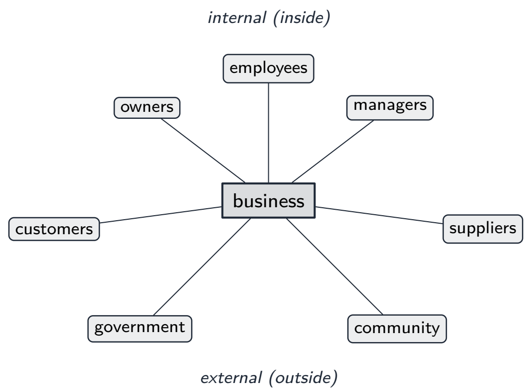
Worked example. "Get bigger" is a weak objective. "Raise sales by 10% within one year" is SMART — it is specific, measurable and time-bound.

Micro-check. Rewrite "sell more" as a SMART objective. [1]

■ 3 Stakeholders

A **stakeholder** 利益相关者 is any person or group with an interest in a business and how well it does.

- **internal stakeholders** 内部利益相关者 are inside the business: owners, managers and employees;
- **external stakeholders** 外部利益相关者 are outside: customers, suppliers, the government and the local community.



Stakeholders often want different things, so their aims can **conflict** 冲突 — owners want higher profit, but employees want higher pay.

Micro-check. Name one internal and one external stakeholder. [1]

Watch out: limited liability (Ltd/plc) means owners lose only what they invested; unlimited liability (sole trader/partnership) means owners are liable for *all* debts, even personal possessions. Stakeholders' aims often *conflict*.

Practice

1.1 State which legal form each describes: (a) one owner, keeps all the profit; (b) sells shares to the public. [2]

1.2 State the difference between **limited** and **unlimited** liability. [2]

1.3 Give **one** reason a sole trader might become a private limited company. [1]

1.4 A firm sets the objective “improve a bit soon”. Rewrite it as a **SMART** objective. [2]

1.5 State whether each is an **internal** or **external** stakeholder: (a) an employee, (b) a customer, (c) the government. [3]

1.6 Explain **one** way the aims of owners and employees can conflict. [2]

1.7 Challenge. Explain why unlimited liability makes it riskier to be a sole trader than to be a shareholder in a company. [2]

3 **(a)** Define the term *hostile takeover*. [2]

(b) Explain **one** importance to a business of having objectives. [3]

1 **(a)** Define the term *mission statement*. [2]

(b) Explain **one** disadvantage to a business of having corporate social responsibility (CSR) as a business objective. [3]

A-Level Business: **Specimen 1**

5 **(a)** Analyse **two** reasons why it is important for a business to set SMART objectives. [8]

(b) Evaluate the view that a mission statement is only important to a bank if it significantly influences the strategy and tactics of that business. [12]

OR

6 **(a)** Analyse **two** advantages to a business of making ethical decisions. [8]

(b) ‘Employees are the most important stakeholder group in a primary sector oil and gas business.’

Evaluate this view. [12]

2 What human resource management does – Part 1

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
Human resource management	人力资源管理			
workforce planning	人力规划			
Recruitment	招聘			
selection	甄选			
job description	职位描述			
person specification	人员规格			
internal recruitment	内部招聘			
external recruitment	外部招聘			
Training	培训			
induction training	入职培训			
on-the-job training	在岗培训			
off-the-job training	脱产培训			
productivity	生产率			

Recall

Every business needs people to do its work. Bring this with you:

- A business hires staff and gives them jobs to do.
- People work better when they are trained and treated well.

At AS we look at how a firm plans for, hires, and trains its people.

New ideas

1 What HRM does

Human resource management 人力资源管理 (HRM) is the part of a business that looks after its **people**. It makes sure the firm has enough staff, with the right skills, who are well trained.

A key job is **workforce planning** 人力规划 — working out how many staff, and what skills, the business will need in the future.

Micro-check. State what workforce planning works out. [1]

2 Recruitment and selection

Recruitment 招聘 means finding people to apply for a job; **selection** 甄选 means choosing the best one.

First the firm writes a **job description** 职位描述 (the duties of the job) and a **person specification** 人员规格 (the skills the right person needs). Then it recruits:

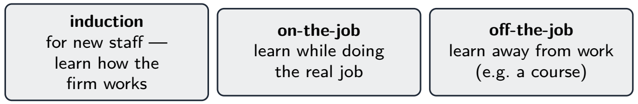
- **internal recruitment** 内部招聘 — fill the job from inside the firm (cheaper, the person is known, but no new ideas);
- **external recruitment** 外部招聘 — hire from outside (brings new skills, but costs more and is slower).

Micro-check. State one advantage of internal recruitment. [1]

■ 3 Training

Training 培训 improves the skills staff need. Three common types:

- **induction training** 入职培训 — for new staff, to learn how the firm works;
- **on-the-job training** 在岗培训 — learning while doing the real job;
- **off-the-job training** 脱产培训 — learning away from work, such as on a course.



Training costs time and money, but it raises quality, **productivity** 生产率 (output per worker) and motivation, and helps keep staff.

Micro-check. Which training type is given to brand-new staff? [1]

Watch out: recruitment = *finding* applicants; selection = *choosing* the best. Internal recruitment is cheaper (the person is known) but brings no new ideas; external brings new skills but costs more. Training costs money up front but raises productivity.

Practice

2.1 State what HRM (human resource management) looks after in a business. [1]

2.2 State the difference between a **job description** and a **person specification**. [2]

2.3 Give **one** advantage of internal recruitment and **one** advantage of external recruitment. [2]

2.4 State which type of training each is: (a) a new worker's first-week course; (b) learning by doing the real job. [2]

2.5 Explain **one** benefit a business gains from training its staff. [2]

2.6 Challenge. A fast-growing firm cannot find enough skilled workers inside the business. Recommend whether it should recruit internally or externally, and justify your choice. [2]

4 Analyse **one** benefit to a business of low labour turnover. [5]

Section B

Answer **one** question only.

EITHER

A-Level Business: **w25 12**

2 **(a)** Define the term *on-the-job training*. [2]

(b) Explain **one** advantage to a business of induction training. [3]

A-Level Business: **s25 12**

2 **(a)** Define the term *involuntary redundancy*. [2]

(b) Explain **one** way a business could use employee development to encourage multi-skilling. [3]

A-Level Business: **Specimen 1**

6 **(a)** Analyse **two** possible disadvantages to a business of using performance-related pay to motivate its employees. [8]

(b) 'The most important role of human resource management (HRM) in a fast food restaurant is to maintain a high level of employee morale and welfare.'

Evaluate this view. [12]

2 What human resource management does – Part 2

Name: ________ Class: ________ Date: ________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
Motivation	激励			
hierarchy of needs	需求层次			
physiological needs	生理需求			
self-actualisation	自我实现			
financial motivators	经济激励			
salary	薪水			
commission	佣金			
bonus	奖金			
non-financial motivators	非经济激励			
job enrichment	工作丰富化			
empowerment	授权			
Management	管理			
Leadership	领导			
vision	愿景			

Recall

In **Part 1** you met human resource management, workforce planning, recruitment (internal and external), and the three kinds of training. Part 2 looks at what makes staff **work hard** (motivation), and what **managers and leaders** do.

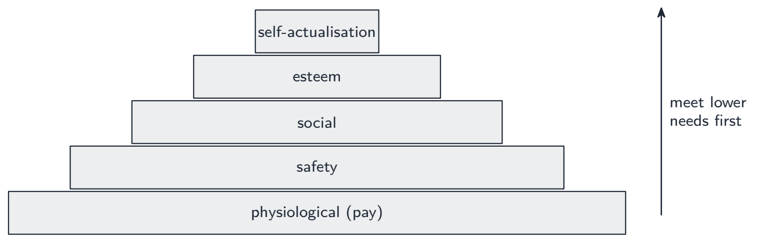
New ideas

■ 1 Motivation and Maslow's hierarchy

Motivation 激励 is the desire to work hard and do a good job. Motivated staff produce more, take fewer days off, and stay longer — so motivation lowers costs and raises quality.

Maslow said people meet their needs in order, from low to high — the **hierarchy of needs** 需求层次. Lower needs come first:

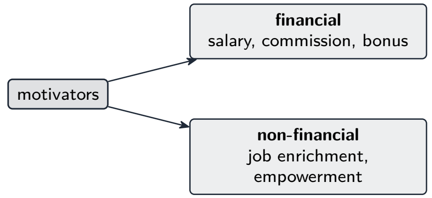
1. **physiological needs** 生理需求 — food and rest (met by pay);
2. safety; 3. social (friendship); 4. esteem (respect);
3. **self-actualisation** 自我实现 — reaching your full potential.



Micro-check. State the need Maslow places at the **bottom** of the pyramid. [1]

■ 2 Financial and non-financial motivators

- **financial motivators** 经济激励 reward staff with money: a **salary** 薪水, **commission** 佣金 (pay for what you sell), or a **bonus** 奖金 for good results.
- **non-financial motivators** 非经济激励 reward without extra money: **job enrichment** 工作丰富化 (more interesting, responsible work) and **empowerment** 授权 (letting staff make their own decisions).

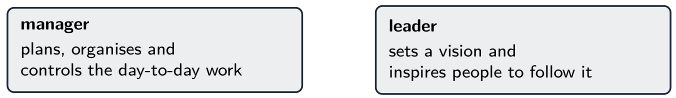


Micro-check. Is a bonus a financial or a non-financial motivator? [1]

■ 3 Management and leadership

Management 管理 means getting work done through other people. A manager **plans, organises and controls** the day-to-day work.

Leadership 领导 is different: a leader sets a **vision** 愿景 and inspires people to follow it. The best managers are also good leaders.



Micro-check. State one thing a leader does that is different from day-to-day managing. [1]

Watch out: in Maslow's hierarchy the *lower* needs (physiological, met by pay) must be satisfied *before* the higher ones (esteem, self-actualisation). Financial motivators use money (salary, commission, bonus); non-financial ones do not (job enrichment, empowerment).

Practice

2.1 Explain **one** reason motivated staff are good for a business. [2]

2.2 State the need at the **bottom** of Maslow's pyramid, and the need at the **top**. [2]

2.3 State whether each is a **financial** or **non-financial** motivator: (a) commission, (b) job enrichment, (c) a bonus. [3]

2.4 State one difference between a **manager** and a **leader**. [2]

2.5 A worker is paid well but finds the work boring. Suggest **one** non-financial motivator that could help. [1]

2.6 Challenge. A worker already earns a high salary but is still unmotivated. Using Maslow, explain why more pay may not help, and suggest what might. [2]

2 **(a)** Define the term *employee morale*. [2]

(b) Explain **one** method of paying employees. [3]

A-Level Business: **s25 11**

1 **(a)** Define the term *job enrichment*. [2]

(b) Explain **one** disadvantage to a business of using empowerment to motivate employees. [3]

A-Level Business: **s25 13**

1 **(a)** Define the term *motivation*. [2]

(b) Explain **one** benefit to a business of motivated employees. [3]

5 **(a)** Analyse **two** disadvantages to employees of an autocratic management style. [8]

(b) 'The contribution of managers to business performance in a hospital is less important than that of medical employees.'

Evaluate this view. [12]

OR

3 The role of marketing – Part 1

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)
Marketing	市场营销	
market	市场	
product-orientated	产品导向	
market-orientated	市场导向	
mass market	大众市场	
niche market	利基市场	
market share	市场份额	
Market segmentation	市场细分	
segments	细分市场	
marketing mix	营销组合	
product	产品	
price	价格	
place	渠道	
promotion	促销	

Recall

Every business must sell its products to survive. Bring this with you:

- You see adverts, brands and prices everywhere.
- A business does better when it sells what customers actually want.

At AS we study **marketing** — how a firm finds out what customers want and sells to them.

New ideas

1 What marketing is

Marketing 市场营销 means finding out what customers want, then making and selling products that meet those wants at a profit. It links the firm to its **market** 市场 (all the buyers and sellers of a product).

A business can be:

- **product-orientated** 产品导向 — it focuses on the product first and hopes customers will buy it;
- **market-orientated** 市场导向 — it finds out what customers want first, then makes it (this lowers the risk of failure).

Micro-check. Which approach finds out what customers want **before** making the product? [1]

2 Mass and niche markets

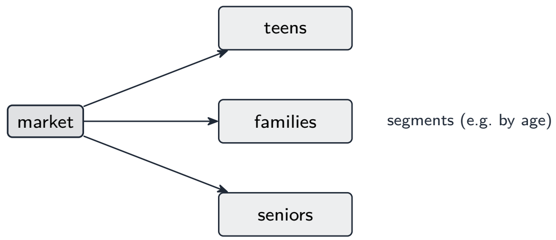
- a **mass market** 大众市场 is large, with products aimed at most buyers (e.g. soft drinks) — high sales, but strong competition;
- a **niche market** 利基市场 is a small part of a market with special needs (e.g. left-handed tools) — weaker competition, but smaller sales.

A firm's **market share** 市场份额 is its sales as a percentage of the whole market; a rising share is a sign of strong marketing.

Micro-check. Is a shop selling only gluten-free food a mass or a niche market? [1]

3 Market segmentation

Market segmentation 市场细分 means splitting a market into groups (**segments** 细分市场) of buyers who are alike — by age, income, location or lifestyle. It lets a firm aim the right product and message at each group.

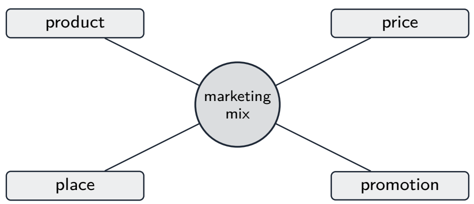


Micro-check. Give one way a market can be segmented. [1]

4 The marketing mix (the 4Ps)

The **marketing mix** 营销组合 is the set of choices a firm makes to sell a product, often called the **4Ps**:

- **product** 产品 — what are we selling?
- **price** 价格 — how much do we charge?
- **place** 渠道 — where and how do customers buy it?
- **promotion** 促销 — how do we tell customers about it?



The four parts must work together — a high price needs high quality and a good image.

Micro-check. Which "P" is about telling customers about the product? [1]

Watch out: a *market*-orientated firm (find out what customers want first) is lower-risk than a *product*-orientated one. The four Ps must work *together* — a high price needs matching quality, place and promotion.

Practice

3.1 State what marketing means. [1]

3.2 State one difference between a **product-orientated** and a **market-orientated** business. [2]

3.3 State one difference between a **mass market** and a **niche market**. [2]

3.4 Explain what **market segmentation** is, and give one way to segment a market. [2]

3.5 Name the **four** Ps of the marketing mix. [4]

3.6 Challenge. A firm sells a luxury watch at a high price in a few exclusive shops. Explain how its four Ps must work together to support the luxury image. [2]

Name:

A-Level Business: **w25 13**

1 **(a)** Define the term *market growth*. [2]

(b) Explain **one** pricing method. [3]

A-Level Business: **s25 11**

6 **(a)** Analyse **two** ways international markets may present different challenges to a business than national markets. [8]

(b) Evaluate whether customer relationship marketing (CRM) is suitable for all small businesses. [12]

A-Level Business: **s25 13**

4 Analyse **one** advantage to a business of using mass marketing. [5]

Section B

Answer **one** question only.

EITHER

3 The role of marketing – Part 2

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
demand	需求			
supply	供给			
equilibrium price	均衡价格			
Price elasticity of demand	需求价格弹性			
price elastic	富有弹性			
price inelastic	缺乏弹性			
product life cycle	产品生命周期			
introduction	引入期			
growth	成长期			
maturity	成熟期			
decline	衰退期			
extension strategies	延长策略			
penetration pricing	渗透定价			
price skimming	撇脂定价			

Recall

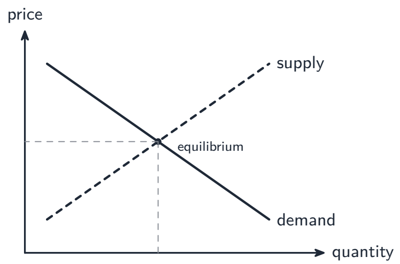
In **Part 1** you met marketing, mass and niche markets, segmentation, and the marketing mix (the 4Ps). Part 2 looks at how price and quantity are set (**demand and supply**), how strongly demand reacts to price (**elasticity**), and how a product's sales change over its life.

New ideas

1 Demand and supply

- **demand** 需求 is how much buyers will buy at each price. Usually, when the price **falls**, demand **rises**.
- **supply** 供给 is how much sellers will offer at each price. When the price **rises**, supply **rises**.

They meet at the **equilibrium price** 均衡价格 — the market price where the amount demanded equals the amount supplied.

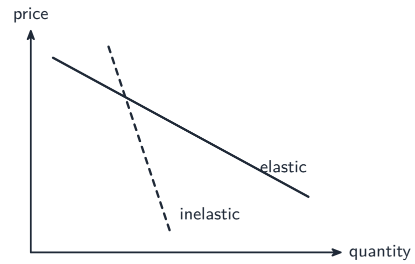


Micro-check. What usually happens to demand when the price falls? [1]

2 Price elasticity of demand

Price elasticity of demand 需求价格弹性 (PED) measures how strongly demand reacts to a change in price:

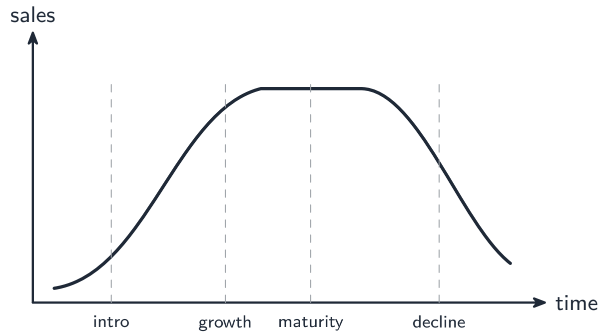
- demand is **price elastic** 富有弹性 when a small price change causes a **big** change in quantity — so cutting the price can raise total revenue;
- demand is **price inelastic** 缺乏弹性 when demand changes only a **little** — so raising the price can raise total revenue.



Micro-check. If a price cut raises total revenue, is demand elastic or inelastic? [1]

3 The product life cycle

The **product life cycle** 产品生命周期 shows a product's sales over time, in four stages: **introduction** 引入期, **growth** 成长期, **maturity** 成熟期 and **decline** 衰退期.



To keep sales up in maturity, firms use **extension strategies** 延长策略 (new packaging, new uses). At launch a firm may use **penetration pricing** 渗透定价 (a low price to win share) or **price skimming** 撇脂定价 (a high price first, then lower it).

Micro-check. Name the **first** stage of the product life cycle. [1]

Watch out: if demand is *elastic* (price-sensitive), *cutting* the price raises revenue; if *inelastic* (insensitive), *raising* it raises revenue. Penetration pricing = a *low* launch price; price skimming = a *high* launch price, lowered later.

Practice

3.1 State what is meant by the **equilibrium price**. [2]

3.2 State what happens to **supply** when the price rises. [1]

3.3 A firm raises its price and total revenue **rises**. State whether demand is price **elastic** or **inelastic**. [1]

3.4 Put the four product life-cycle stages in order. [2]

3.5 State one difference between **penetration pricing** and **price skimming**. [2]

3.6 A new phone is sold at a high price at launch, then the price is lowered months later. Name this pricing strategy. [1]

3.7 Challenge. A bus company finds the demand for its tickets is price *inelastic*. Recommend whether it should raise or lower fares to increase total revenue, and explain. [2]

5 **(a)** Analyse **two** limitations for a business of sampling during market research. [8]

(b) Evaluate the view that new product development is the most important activity for the success of a toy manufacturer. [12]

OR

A-Level Business: **Specimen 1**

1 **(a)** Define the term ‘secondary research’. [2]

(b) Explain **one** advantage to a business of data collected using primary research methods. [3]

6 **(a)** Analyse **two** benefits to a business of using a Boston Matrix. [8]

(b) 'Packaging is the most effective promotion method for a fast-food business.'

Evaluate this view. [12]

A-Level Business: **w25 12**

6 **(a)** Analyse **two** benefits to a business of product portfolio analysis. [8]

(b) Evaluate whether branding is the most important factor in the successful promotion of a new health drink. [12]

A-Level Business: **s25 11**

2 **(a)** Define the term *price discrimination*. [2]

(b) Explain **one** disadvantage to a business of using competitive pricing. [3]

A-Level Business: **s25 12**

4 Analyse **one** reason why a business may use cost-based pricing. [5]

Section B

Answer **one** question only.

EITHER

4 What operations management does – Part 1

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
Operations	运营			
Operations management	运营管理			
inputs	投入			
outputs	产出			
transformation process	转化过程			
add value	增值			
Productivity	生产率			
Efficiency	效率			
job production	单件生产			
batch production	批量生产			
flow production	流水线生产			

Recall

Every business has to **make** its product or deliver its service. Bring this with you:

- A business turns materials and work into finished goods.
- Doing this with less waste saves money.

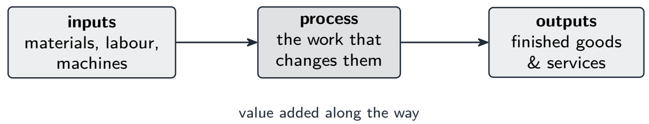
At AS we study **operations** — the part of a business that makes the product.

New ideas

1 The transformation process

Operations 运营 is the part of a business that makes the product. **Operations management** 运营管理 turns **inputs** 投入 into **outputs** 产出 — the **transformation process** 转化过程:

- **inputs** — raw materials, labour, machines and money;
- **process** — the work that changes the inputs;
- **outputs** — finished goods and services for the customer.



Good operations **add value** 增值 — the output is worth more than the inputs used to make it.

Micro-check. State the three parts of the transformation process. [1]

2 Productivity and efficiency

Productivity 生产率 measures how much output you get from your inputs:

$$\text{productivity} = \frac{\text{output}}{\text{input used}}.$$

Efficiency 效率 means making products with as little waste of time, materials and money as possible. Higher productivity and efficiency **lower the cost of each unit**.

Micro-check. A worker makes 40 units in 8 hours. State their productivity per hour. [1]

3 Methods of production

A firm chooses how to organise production:

- **job production** 单件生产 — making one unique item at a time (a wedding cake, a bridge);

- **batch production** 批量生产 — making a group of the same item, then switching (bread in flavours);
- **flow production** 流水线生产 — making items non-stop on a line (bottled drinks, cars).

job	batch	flow
one unique item (a wedding cake)	a group, then switch (bread in flavours)	non-stop on a line (bottled drinks)

Job production is flexible but costly per unit; flow production has a low unit cost but needs high, steady demand.

Micro-check. Which method makes items non-stop on a line? [1]

Watch out: productivity = output ÷ input (output per worker or hour); higher productivity *lowers* the cost per unit. Job production is flexible but costly per unit; flow production has a low unit cost but needs high, steady demand.

Practice

4.1 State what **operations management** does (use the words *inputs* and *outputs*). [2]

4.2 A factory makes 600 units using 200 hours of labour. Find the productivity per hour. [2]

4.3 State what **efficiency** means in operations. [1]

4.4 State which method of production each suits: (a) a one-off bridge; (b) millions of identical cans. [2]

4.5 Give **one** advantage of flow production and **one** of job production. [2]

4.6 Challenge. Factory A makes 600 units with 200 labour-hours; Factory B makes 900 units with 360 labour-hours. Work out which is more productive per hour. [2]

Name:

3 **(a)** Define the term *labour productivity*. [2]

(b) Explain **one** way that a business can improve labour productivity. [3]

3 **(a)** Define the term *capital intensive operations*. [2]

(b) Explain **one** limitation to a business of labour intensive operations. [3]

2 **(a)** Define the term 'sustainability'. [2]

(b) Explain **one** reason why a manufacturing business might take measures to improve the sustainability of its operations. [3]

4 What operations management does – Part 2

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
Inventory	库存			
holding costs	持有成本			
just-in-time	准时制			
just-in-case	备货制			
Capacity	产能			
Capacity utilisation	产能利用率			

Recall

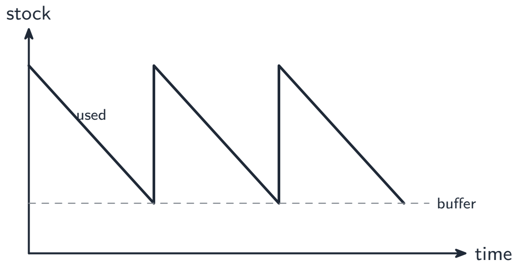
In **Part 1** you met the transformation process (inputs → process → outputs), productivity, efficiency, and the three methods of production. Part 2 looks at holding **stock**, two ways to manage it, and how fully a firm uses its **capacity**.

New ideas

1 Inventory (stock)

Inventory 库存 (stock) is the goods a business holds: raw materials, part-finished goods, and finished goods waiting to be sold.

A firm holds stock so it can keep producing and meet orders quickly. But stock has **holding costs** 持有成本 — storage, insurance, and money tied up — and goods may go out of date. Holding too **little** is also risky: the firm may run out and lose sales.

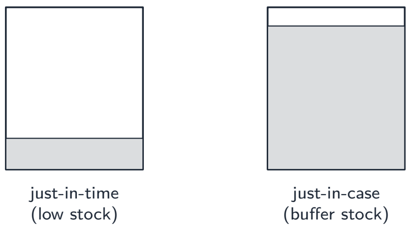


Micro-check. Give one cost of holding too much stock. [1]

■ 2 Just-in-time and just-in-case

Two ways to manage stock:

- **just-in-time** 准时制 (JIT) — stock arrives **only as it is needed**, so almost no inventory is held. This cuts holding costs, but a late delivery can stop production.
- **just-in-case** 备货制 — extra stock is held **in case** of problems. This is safer, but costs more to store.



Micro-check. Which method holds almost no stock? [1]

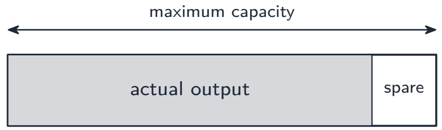
■ 3 Capacity utilisation

Capacity 产能 is the most a business can produce with its current resources. **Capacity utilisation** 产能利用率 shows how much of that capacity is being used:

$$\text{capacity utilisation} = \frac{\text{actual output}}{\text{maximum output}} \times 100\%.$$

A **low** figure means resources sit idle (high cost per unit); **near 100%** leaves no time

for repairs. Most firms aim for a high but not full level (about 85–90%).



Micro-check. A firm makes 800 units out of a maximum of 1000. Find its capacity utilisation. [1]

Watch out: JIT holds almost *no* stock (low cost, but risky if a delivery is late); just-in-case holds *extra* stock (safer, costlier). Capacity utilisation = actual ÷ maximum × 100%; aim high but not 100% (you need time for repairs).

Practice

4.1 State what **inventory** is, and give **one** cost of holding too much of it. [2]

4.2 State one **advantage** and one **disadvantage** of just-in-time (JIT). [2]

4.3 A factory can make 5000 units a week but makes 4000. Find its capacity utilisation. [2]

4.4 State **one** problem of running at very close to 100% capacity. [1]

4.5 Explain why holding too **little** stock can be a problem. [2]

4.6 Challenge. A factory's capacity utilisation rises from 60% to 90%. Explain why this usually lowers the cost per unit. [2]

4 Analyse **one** reason why a business might hold low levels of inventory. [5]

Section B

Answer **one** question only.

EITHER

A-Level Business: **s25 12**

3 **(a)** Define the term *inventory re-order level*. [2]

(b) Explain **one** advantage to a business of holding buffer inventory. [3]

A-Level Business: **s25 13**

3 **(a)** Define the term *Just in Time (JIT)*. [2]

(b) Explain **one** disadvantage to a business of using Just in Time (JIT). [3]

4 Analyse **one** impact on a business of outsourcing. [5]

Section B

Answer **one** question only.

EITHER

5 Why a business needs finance – Part 1

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
Business finance	企业资金			
capital expenditure	资本性支出			
fixed assets	固定资产			
revenue expenditure	收益性支出			
internal sources	内部来源			
external sources	外部来源			
retained profit	留存利润			
share capital	股本			
loan	贷款			
overdraft	透支			
profit	利润			
cash	现金			

Recall

Starting and running a business costs money. Bring this with you:

- You pay for things with money every day; a business does too, but on a much larger scale.
- A business that runs out of money has to stop.

At AS we study where a business gets its money (**finance**) and how it manages cash.

New ideas

1 Why finance is needed

Business finance 企业资金 is the money a firm needs to start, run and grow. Spending falls into two kinds:

- **capital expenditure** 资本性支出 — money spent on **fixed assets** 固定资产 that last a long time (machines, vehicles, buildings);
- **revenue expenditure** 收益性支出 — money spent on day-to-day running (wages, rent, raw materials).

capital expenditure
fixed assets that last
(machines, vehicles, buildings)

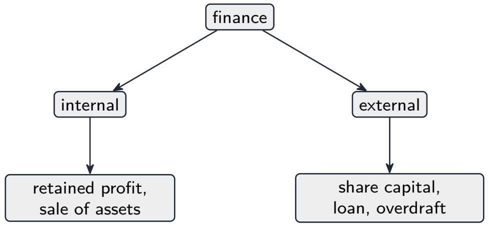
revenue expenditure
day-to-day running
(wages, rent, materials)

Micro-check. Is buying a delivery van capital or revenue expenditure? [1]

2 Sources of finance

Finance comes from **inside** the business (**internal sources** 内部来源) or from **outside** (**external sources** 外部来源):

- internal: **retained profit** 留存利润 (profit kept in the business), or selling assets the firm no longer needs;
- external: **share capital** 股本 (money from selling shares), a **loan** 贷款, or an **overdraft** 透支 (the bank lets the account go below zero for a short time).



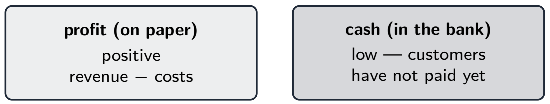
Micro-check. Is a bank loan an internal or an external source? [1]

■ 3 Cash is not the same as profit

This is a key idea:

- **profit** 利润 is what is left when total costs are taken from total revenue over a period;
- **cash** 现金 is the money the firm actually has **right now** to spend.

A firm can be **profitable** but still run out of cash — for example, if it has sold goods but customers have not paid yet. Many firms fail not from low profit, but from running out of cash.



same firm, same month

Micro-check. Can a profitable business still run out of cash? [1]

Watch out: *cash is not the same as profit* — a profitable firm can still run out of cash (e.g. customers have not paid yet). Capital expenditure buys long-lasting assets; revenue expenditure pays day-to-day costs.

Practice

5.1 State which is **capital** and which is **revenue** expenditure: (a) buying a new factory; (b) paying this month's wages. [2]

5.2 State whether each source is **internal** or **external**: (a) retained profit, (b) a bank loan, (c) selling shares. [3]

5.3 Explain how a business can be profitable yet still run out of cash. [2]

5.4 Give **one** internal and **one** external source of finance. [2]

5.5 State what an **overdraft** lets a business do. [1]

5.6 Challenge. A firm makes a healthy profit but its bank account is empty because it sells on 60-day credit. Suggest **one** way it could improve its cash without lowering its profit. [2]

2 **(a)** Define the term *liquidation*. [2]

(b) Explain **one** external source of finance for a business. [3]

4 Analyse **one** way a business might fail as a consequence of lack of finance. [5]

Section B

Answer **one** question only.

EITHER

5 **(a)** Analyse **two** benefits to a business of using an internal source of finance for business growth. [8]

(b) 'The main reason why many small businesses fail is that they do not understand the difference between cash and profit.'

Evaluate this view. [12]

OR

6 **(a)** Analyse **two** uses of cost information for a business. [8]

(b) 'A large bank loan is the most appropriate source of finance for the expansion of a furniture retailer.'

Evaluate this view. [12]

6 **(a)** Analyse **two** advantages to a business of using sale and leaseback of non-current assets as a source of finance. [8]

(b) 'The use of budgets is the most effective way to monitor the performance of a hotel.'

Evaluate this view. [12]

A-LEVEL BUSINESS • HOLIDAY HOMEWORK 假期作业

5 Why a business needs finance – Part 2

Name: ____________ Class: ________ Date: __________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)
fixed costs	固定成本	
variable costs	可变成本	
total cost	总成本	
Contribution	贡献	
Break-even	盈亏平衡	
break-even point	盈亏平衡点	
margin of safety	安全边际	
cash-flow forecast	现金流量预测	
cash inflows	现金流入	
cash outflows	现金流出	
net cash flow	净现金流	

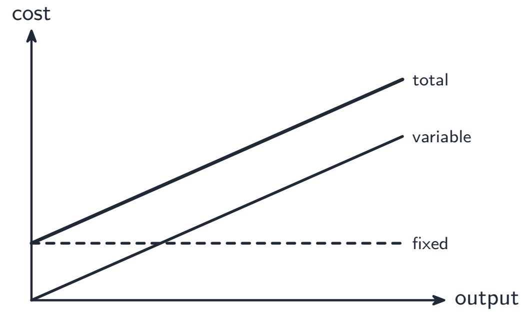
Recall

In **Part 1** you met business finance, capital vs revenue spending, internal vs external sources, and the key idea that **cash is not the same as profit**. Part 2 looks at the types of **cost**, the **break-even** point, and a **cash-flow forecast**.

New ideas

1 Types of cost

- **fixed costs** 固定成本 do **not** change with output — for example, rent;
- **variable costs** 可变成本 rise and fall **with** output — for example, raw materials;
- **total cost** 总成本 = fixed costs + variable costs.



Micro-check. Is the rent on a factory a fixed or a variable cost? [1]

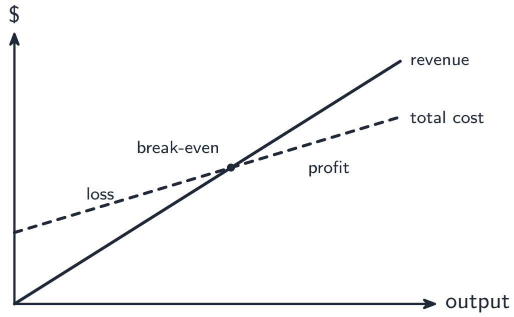
2 Break-even

Contribution 贡献 per unit is how much each sale adds towards the fixed costs:

$$\text{contribution per unit} = \text{selling price} - \text{variable cost per unit}.$$

Break-even 盈亏平衡 is where total revenue equals total cost, so profit is zero. The **break-even point** 盈亏平衡点 in units is:

$$\text{break-even point} = \frac{\text{fixed costs}}{\text{contribution per unit}}.$$



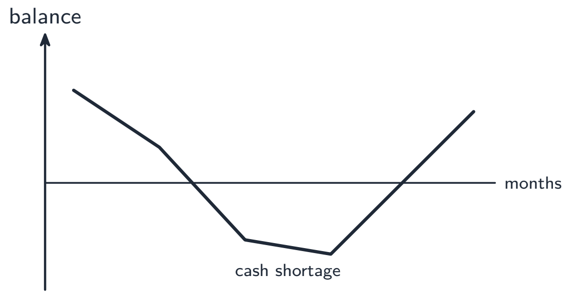
Worked example. A product sells for \$20 with a variable cost of \$12. Contribution $= 20 - 12 = \$8$. If fixed costs are \$40 000, the break-even point $= 40\,000 \div 8 = 5\,000$ units. The **margin of safety** 安全边际 is how far actual sales are above this.

Micro-check. A firm has contribution \$5 per unit and fixed costs \$10 000. Find its break-even point. [1]

■ 3 Cash-flow forecast

A **cash-flow forecast** 现金流量预测 predicts the cash coming in and going out each month, so a firm can spot a shortage early:

- **cash inflows** 现金流入 — money coming in, mostly from sales;
- **cash outflows** 现金流出 — money going out, such as wages and rent;
- **net cash flow** 净现金流 = inflows − outflows.



Micro-check. Inflows are \$8 000 and outflows are \$9 000. Find the net cash flow. [1]

Watch out: contribution per unit = selling price − variable cost; break-even = fixed costs ÷ contribution per unit. Fixed costs do *not* change with output; variable costs do. Margin of safety = actual sales − break-even.

Practice

5.1 State whether each is a **fixed** or **variable** cost: (a) factory rent; (b) raw materials. [2]

5.2 A product sells for \$15 and has a variable cost of \$9. Find the **contribution** per unit. [2]

5.3 Fixed costs are \$24 000 and contribution is \$6 per unit. Find the **break-even point** in units. [2]

5.4 The firm in 5.3 actually sells 5 000 units. Find its **margin of safety**. [1]

5.5 In a month, cash inflows are $12 000 and cash outflows are $15 000. Find the **net cash flow**, and say what it warns the firm about. [2]

5.6 Challenge. A product sells for $25 with a variable cost of $15, and fixed costs are $50 000. Find the break-even point, and the margin of safety if the firm sells 6 000 units. [3]

5 **(a)** Analyse **two** benefits to a business of using break-even analysis. [8]

(b) Evaluate whether cash flow forecasting is the most important activity for the success of a fashion clothing manufacturer. [12]

OR

3 **(a)** Define the term *break-even analysis*. [2]

(b) Explain **one** limitation for a business of break-even analysis. [3]

2 **(a)** Define the term *incremental budgets*. [2]

(b) Explain **one** advantage to a business of using variance analysis. [3]

A-Level Business: **Specimen 1**

3 **(a)** Define the term ‘zero budgeting’. [2]

(b) Explain **one** benefit to a business of using budgets. [3]