Exercise walk-through

1.4 Planning

GAC Business

You must be able to

- distinguish an objective, strategy, and action plan
- write a measurable business objective
- explain why cash and profit differ

1 The method

Method — Make the target measurable

“Sell more breakfasts” is vague. “Increase weekday breakfast sales from 20 to 30 by the end of May” has a result, measure, starting point, and date.

Method — Objective → strategy → action

Objective: 30 breakfasts each weekday. Strategy: faster takeaway service. Action: one worker prepares breakfast boxes by 7:30 and sales are reviewed every Friday.

2 Practice

Practice 2.1 ▪ 1 mark

State one feature that makes an objective measurable.

Solution 2.1

Worked steps

- Any one of: number, deadline, starting point, or stated result. **B1**

Practice 2.2 ▪ 1 mark

Classify “prepare breakfast boxes by 7:30” as an objective, strategy, or action.

Solution 2.2

Method: Objective → strategy → action — p.5

Worked steps

- It says who does a specific task and when.
- **Action** B1

Practice 2.3 ▪ 2 marks

Explain why a firm can make a sale but not receive cash immediately.

Solution 2.3

Worked steps

- A customer may pay later, for example after receiving an invoice. **B1**
- Cash arrives later even though the sale is recorded. **B1**

3 Exam-style

Exam-style 3.1 ▪ 3 marks

Write a measurable objective for a café that wants more morning customers.

Solution 3.1

Method: Make the target measurable — p.4

Worked steps

- A suitable answer includes a numerical target and deadline. B1
- Example: **Increase weekday breakfast sales from 20 to 30 by the end of May.** A1 A1

Exam-style 3.2 ▪ 4 marks

Explain how a weekly sales review can improve the café's plan.

Solution 3.2

Worked steps

- The review compares actual sales with the target. B1
- It can reveal whether the action is working and allow changes before the final deadline. A1 A1
- This improves control of the plan. B1

Exam-style 3.3 ▪ 4 marks

A café reduces its marketing budget to save cash. Analyse one benefit and one possible risk.

Solution 3.3

Worked steps

- Saving the budget can improve short-term cash. **B1** **A1**
- Fewer customers may learn about the café, so sales could fall later. **B1** **A1**